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Nobody emerges with much credit from the saga of Iraq. The future may be more hopeful ... More on this week's lead article

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Politics this week

Dec 18th 2003
From The Economist print edition

What next for Iraq?

AP

Saddam Hussein, Iraq's fugitive ex-dictator, was found in a pit under a hut belonging to his former cook. Though armed, he was captured by American troops without a shot being fired. A debate began as to how and where to try him for crimes against humanity.

See article: The moral of Saddam Hussein

After talks with James Baker, a former American secretary of state, France, Germany and Britain said they would offer substantial **debt relief** to Iraq.

See article: What next for Iraq?

A spokesman for South Africa's president, Thabo Mbeki, said Mr Mbeki would fly to **Zimbabwe** for talks with President Robert Mugabe to resolve that country's political and economic crisis. Inflation in Zimbabwe officially hit 620%, though economists said the true rate was much worse.

See article: Africa's erratic statesman

In Liberia, a UN scheme to disarm **gunmen** by paying them for their weapons was forced to halt, at least temporarily, when too many showed up and demanded cash for their weapons. Reports from neighbouring Sierra Leone suggested that guns were being smuggled into Liberia to take advantage of the scheme.

Fragile constitution

A European summit broke down with no agreement on a **European Union constitution**. The biggest stumbling-block was a dispute over countries' voting weights, with Poland and Spain on one side, and France and Germany on the other.

See article: The fall-out from the Brussels summit

Gerhard Schröder, the German chancellor, secured agreement to his Agenda 2010 package of **economic reforms**. But he had to water them down to win opposition support. The outlook for the German economy next year remains gloomy.

See article: Germany's watered-down economic package

The Italian president, Carlo Azeglio Ciampi, rejected a **media bill** sent to him by parliament on the ground that it entrenched the media interests of his prime minister, Silvio Berlusconi. Mr Berlusconi said he would issue an emergency decree to achieve the same results.

See article: Blocking Italy's prime minister

Getty

As expected, President Jacques Chirac of France announced plans for a ban on the **Muslim headscarf** and other “ostensible” religious signs in schools. But he rejected proposals for schools to observe a pair of Jewish and Muslim

holidays.

Elections in **northern Cyprus** ended in a dead heat for the two groups in favour of and opposed to UN plans for reunification. But those hoping for a peaceful settlement took heart when the long-serving Turkish Cypriot leader, Rauf Denktash, said he might step aside for a new government representative if and when the UN negotiations resume.

See article: After the elections in northern Cyprus

Heidar Aliev, **Azerbaijan's** long-serving former president, died after a long illness. His son Ilham, who took over this year, has so far kept his promise to change none of his father's disastrous policies.

Who's fuelling whom?

George Bush said that **Halliburton**, an energy company once headed by Dick Cheney, should repay the government if its subcontractor is found to have overcharged by $61m for petrol during the Iraq war. Meanwhile, the Supreme Court said it would hear arguments next year about the vice-president's refusal to hand over papers related to his energy task-force in 2001.

California's legislature finally approved Arnold Schwarzenegger's fiscal rescue plan. The governor's scheme to cut spending and raise borrowing will now go to the electorate as a ballot initiative in March.

See article: How Green is Arnie?

Connecticut's Republican governor, John Rowland, faced pressure to resign after admitting that he had broken state ethics laws by allowing business associates to pay for work at his holiday home. Meanwhile, George Ryan, a former governor of **Illinois**, was indicted on 22 corruption charges.

John Breaux said he would not run for re-election in **Louisiana** next year, becoming the fifth Democratic senator from the South to announce his retirement before the poll.

A federal judge reinstated a National Park Service edict, suspended by the Interior Department in 2001, that phases out the use of **snowmobiles** in Yellowstone and Grand Teton parks. The state of Wyoming said that snowmobilers should have full access to the parks for the rest of the winter season.

AP

Martin moves in

Paul Martin, a Liberal former finance minister, became **Canada's** prime minister. His 38-member ministerial team includes only 16 carry-overs from his Liberal predecessor, Jean Chrétien.

See article: Canada's new government

Opponents of **Haiti's** president, Jean-Bertrand Aristide, staged a general strike and demonstrations aimed at forcing his resignation.

See article: Haiti's sad anniversary

In **Brazil**, the Workers' Party of President Luiz Inácio Lula da Silva expelled four prominent legislators from its left-wing who had voted against a pension-reform bill.

See article: A political purge in Brazil

Peru's unpopular president, Alejandro Toledo, sacked his popular prime minister, Beatriz Merino, a technocrat. He replaced her with Carlos Ferrero, a leading figure in his party.

Bearded chins wag

AP

A *loya jirga*, or grand council, opened in **Afghanistan**. Expected to last a couple of weeks or so, it aims to approve a new constitution, providing for presidential elections next year and parliamentary ones in 2005. But at the same time, the UN said that it may have to leave because of security concerns.

See article: Afghanistan's loya jirga

Pervez Musharraf, president of **Pakistan**, survived an assassination attempt, the third in less than two years.

See article: Pakistan's president Musharraf escapes assassination

Human Rights Watch, a New York-based lobbying group, accused **Indonesia's** government of committing widespread abuses in the mutinous province of Aceh.

See article: Indonesia's president faces a challenge

South Korea's government said that it would send 3,000 troops, including combat units, to Iraq.

China vowed to “crush” attempts by **Taiwan** to seek independence, branding the island's president, Chen Shui-bian, as selfish and immoral.

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Business this week

Dec 18th 2003
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The end of the affair

The long-running Executive Life affair, involving the fraudulent acquisition of an insolvent Californian insurance company, approached resolution when **Crédit Lyonnais**, a French bank, and other implicated French firms, agreed to pay a total of $770m in fines and other payments. Much of the money will come from the French taxpayer. Also paying will be **François Pinault**, one of France's richest businessmen. Six other French businessmen were indicted.

The **New York Stock Exchange** named John Thain, a top executive at Goldman Sachs, as its new chief executive after the **Securities and Exchange Commission**, America's market regulator, approved plans to beef up governance at the exchange. Meanwhile, the NYSE is facing allegations by **CalPERS**, America's biggest biggest public pension fund, that its trading system allowed seven market-making firms to defraud investors of millions.

A sign from Oracle

Oracle provided fresh evidence of a recovery in technology spending by American companies. The world's second-biggest software firm announced that profits had risen by 15% in the latest quarter compared with a year ago, to $617m.

Motorola named Edward Zander, formerly an executive at Sun Microsystems in sunny Silicon Valley, as its new chief executive in windswept Chicago. He replaces Chris Galvin, whose grandfather founded the mobile-phone giant. Mr Galvin departed in September after his relationship with the board turned sour.

One hundred years after the Wright brothers took to the air in a canvas and wood contraption, **Boeing** began taking orders for the 7E7, a plane made mainly out of ultra-light composite materials.

Cleaning up

Henkel agreed to pay $2.9 billion for Dial, an American detergent manufacturer. The German consumer-goods company will raise some of the cash to increase its presence in the United States by selling part of its stakes in other American cleaning-product firms.

Calisto Tanzi, founder of **Parmalat**, resigned as chief executive and chairman of the Italian dairy-products firm. He makes way for Enrico Bondi, a turnaround specialist drafted into Parmalat a few days earlier by its banks.

See article: More corporate scandal in Europe

Japan's **Sony** and Germany's **Bertelsmann** formally agreed to unite their recorded-music arms worldwide (except in Japan). However, the deal will face tough scrutiny from regulators in both Europe and America.

Shareholder outrage over the contract of Jean-Pierre Garnier, **GlaxoSmithKline's** boss, forced some concessions. Although Mr Garnier will still receive a handsome sum for heading the British drug company, he will face more rigorous performance targets and has had to give up a highly controversial deal covering potential severance terms, worth some £22m ($35m).

The European Commission ordered **Electricité de France** to repay some *euro*900m ($1.1 billion) to the French government for unfair tax breaks given to the power company in the 1980s and 1990s. France also agreed to phase out guarantees that give EDF and Gaz de France easier access to private funds in the bond market.

China Life raised $3 billion in the world's biggest initial public offering this year after a fervour reminiscent of the dotcom era gripped investors. China's largest life insurer has enjoyed bumper growth as communism's encompassing welfare system has retreated. The shares gained 27% on the first day of trading.

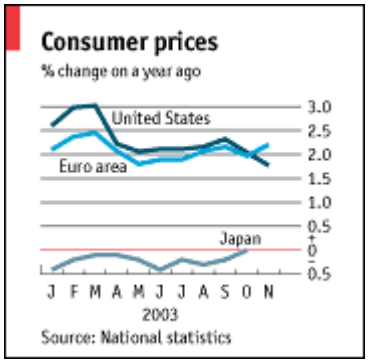
See article: Puff the magic dragon

On hold

The World Trade Organisation admitted that differences between rich and poor countries were hampering attempts to revive **trade-liberalisation** talks, stalled since the collapse of talks in Cancún in September. Formal talks are expected to recommence in February at the earliest, making the target date of December 2004 for completion of the Doha round look increasingly optimistic.

The Bush administration concluded a disappointing year on trade on a more upbeat note by announcing a **free-trade deal** with four Central American countries after a year of negotiations. Talks will continue in January with Costa Rica, the richest Central-American economy, which objects to American demands for greater access to its state-owned telecoms and insurance industries.

Consumer price inflation in America unexpectedly fell by 0.2 percentage points in November to 1.8%. The drop, which suggests that interest rates will remain low for some time to come, made the dollar even less attractive to investors; it hit another all-time low against the euro and also fell against the yen



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Iraq

The moral of Saddam Hussein

Dec 18th 2003
From The Economist print edition

Nobody emerges with much credit from the saga of Iraq. The future may be more hopeful

Reuters

IT WAS a heartening way to end a bloody year. The sight of a murderous dictator being plucked like a rat from a hole in the ground offered a rare and pleasing spectacle of virtue armed and evil vanquished. But if the tyrant's capture is a cause for celebration, it should also prompt a moment's sober reflection. As will probably become clear when he is eventually put on trial (see article), few people or governments, in the West, the Arab world or beyond, emerge with credit from Saddam Hussein's long and sorry saga of misrule.

Saddam was no creature of the West. It was the Soviet Union that armed him to the hilt. But the bloody coup that brought the Baathists to power in 1963 may (the historians are still in the dark) have had some help from the CIA. When he invaded Iran, starting a war that lasted for most of the 1980s and may have consumed as many as a million lives, many outsiders found it convenient to use him. The West came to see him as a bulwark against the threat Ayatollah Khomeini posed to the Arab states and their oil. The French sold him aircraft and missiles, and the Americans fed him battlefield intelligence.

Arabs today castigate America for having aided the man it nowadays calls a monster. This proves American hypocrisy, they say. But Arab regimes bankrolled his war against Iran, and Arab masses cheered him on. In 1988, when the American State Department called his use of chemical weapons against the Kurds “abhorrent and unjustifiable”, the Arab League leapt to his defence. Before he invaded Kuwait in 1990, millions of Arabs—not just the regimes but the people too—were thrilled by his promise to destroy “half of Israel” with chemical fire. Some Arabs, including Yasser Arafat, continued to applaud even after he grabbed Kuwait. In 1991, Palestinians climbed on to their rooftops to cheer the Scud missiles falling on Tel Aviv.

One dynasty's defective victories

The Bush family became Saddam's nemesis. But the record of the Bushes, senior and junior, is mixed. In 1990, the first President Bush handled Iraq's invasion of Kuwait with exemplary skill. He spent five months assembling a grand alliance, then commanded a swift war with the authority of a united Security Council. It is fashionable now to criticise him for not going on to Baghdad to finish Saddam off, but this is the wisdom of hindsight. At the time, many voices (including *The Economist*'s) urged Mr Bush not to exceed his UN mandate, which was only to rescue Kuwait. He (and we) reckoned there was a good chance that a humbled Saddam would fall anyway. Sending an American army to conquer a great Arab capital did not look like a splendid idea. But that honest mistake was tainted by what happened next. Mr Bush called on Iraqis to rise up, only to turn away when those who did were slaughtered in a bloodbath America could have halted.

History will record that Bush the younger, basking at present in the dictator's capture, has collected his own store of failure to set against the triumphs. He too conducted a swift war. But his pre-war diplomacy was less deft than his father's and his planning for the post-war occupation rudimentary. America went to war on what appears now to have been weak or false intelligence, which the Bush team exaggerated, about Saddam's forbidden weapons. In fact, the case for war did not have to be stretched this way. Saddam was a serial aggressor who had refused for more than a decade to prove beyond doubt that he

had disarmed in accordance with the ceasefire that followed his expulsion from Kuwait.

Mr Bush has made matters worse by continuing to portray Iraq as part and parcel of the war against al-Qaeda. Although this simplification may play in Peoria (not to mention in the presidential election), it is wrong. Yes, Saddam terrorised his people and his neighbours. But to lump all America's enemies together as “terrorists” is to play with words and, worse, to risk making a muddle of policy. Osama bin Laden is a religious fanatic with an apocalyptic vision of permanent Islamic war against the infidel. Saddam is a secular Arab nationalist who had a rational if reckless dream of acquiring super-weapons and dominating the world's oil reserves. Saddam had to be stopped, but his defeat has not necessarily hastened the defeat of al-Qaeda, and might even make victory harder if it continues to stoke up Muslim rage against the West.

Another's utter defeat

Will America's occupation of Iraq continue to inflame Muslims? Perhaps it will, but it is needlessly despairing to say that it must. At the least, Saddam's capture, coming after the killing of his sons, Uday and Qusay, ought to convince Iraqis that the old regime will never return and that they must prepare for a different future. Mr Bush hopes that this will “change the equation” on the ground, and so it may. A spike of violence following the arrest shows that plenty of Iraqis remain willing, in the name of Islam, Arabism or something else, to fight the occupier. Even so, many more seem content in the absence of any plausible alternative to give a chance to the interim administration the Americans are putting into place.

What happens next will not be shaped by the Americans alone. Much also depends on what Iraq itself is capable of. Thanks to the long reign of Mr Hussein, nobody really knows what that may be. It is far from certain that it can even remain one country, let alone grow into the sort of liberal democracy the Americans hope to make of it.

Iraq is one of the awkwarder creations of colonialism. Its sense of nationhood, never strong, has been bent out of shape by the way Saddam fostered it. He tortured and killed in order to rule, giving privileges to the Sunni minority, gassing the Kurds and persecuting the Shia majority. At the same time, he stripped the country of political institutions. The ruling party existed in order to shore up the ruler's cult of personality. The parliament became a cipher; the army was divided against itself in order to ward off coups. It is no accident that no prominent Iraqi soldier or politician has been able since the war to mobilise the support of Iraqis as a whole: Saddam made a point of murdering anyone with the potential to do so. And this is the wreckage upon which America now proposes to erect a beacon of hope for the other Arabs. Why expect the first Arab democracy to arise in Iraq, of all places?

The answer is simple. Accident. Democracy has a chance in Iraq because the repeated miscalculations of its dictator resulted in his forcible removal by a superpower which, unlike the departing imperialists of the 20th century, dares not impose any other system. The Americans may not succeed, but now that they are there they are duty-bound to try.

The task is not hopeless. Throughout the Arab world, it has suited unelected leaders to blame the absence of democracy on the deep structure of their societies, or on the interference of outsiders, or on the complications of Islam. But it might be simpler than that. When given the chance, Arabs have had little difficulty working out what elections are about. What has held democracy at bay is the refusal of their rulers to risk losing power. Such rulers say now that democracy cannot work in Iraq because they do not want it in their own countries.

In Iraq itself, the foreign occupiers, being foreign occupiers, are not popular. And yet few voices, even among the Shia clerics, are raised against the idea of democracy. It will take time, no doubt, to create one. But after the horrors of Saddam, why should Iraq's people put up with anything less?

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Crime and punishment

The case for a show trial

Dec 18th 2003
From The Economist print edition

Iraqis should bring their own dictator to trial. But they will need outsiders' help

AP

FOR nigh on a quarter of a century, Saddam Hussein gassed, murdered, poisoned, and tortured to death hundreds of thousands of his fellow countrymen. Iraqis who fell foul of the regime were beaten, raped, dunked in acid baths and thrown into prison. Whole regions were “ethnically cleansed” of non-Arabs. The longing for revenge among Iraqis is understandably great. But so is their thirst for the truth. Justice for the hated oppressor may not be high on their list of priorities. But they want finally to know what happened. That is why most want him brought to trial, if possible in their own country.

There is nervous talk of a “show trial”. But how could it be otherwise? Not since the trials of the Nazi leaders at the first international war crimes court in Nuremberg has such a prominent mass murderer been brought to account. The proceedings will doubtless be televised. With the eyes of the world on it, the trial will be a great show. It will test not only Saddam's guilt but also America's claimed devotion to the dissemination of democracy, human rights and the rule of law. That means that it must conform to the highest international standards and be manned by independent judges reviewing irrefutable evidence. It must be conducted in public, and the defendant must be given all the necessary safeguards of his rights to due process. To refurbish America's tarnished image in the world, especially in Muslim countries, this has to be an exemplary trial, and in that sense a show trial. More than ever, justice must not only be done but also seen to be done.

Of course, a fair trial may also turn out to be an embarrassing one. Mr Hussein is likely to use the dock to rant and rage, making false (and perhaps not so false) accusations against his enemies, presenting himself as the victim, and claiming that the whole proceedings are a sham. He may seek to implicate the various foreign leaders who helped him over the years, in America and elsewhere. His presence in court could prompt violent protests among his supporters. That risk is the inescapable price of bringing the dictator in front of a tribunal.

But what kind of tribunal? There are three basic options—and one other which can be ruled out from the start. The International Criminal Court for war crimes in The Hague might have provided an ideal forum, were it not for its inability to try crimes committed before its official inception in July last year. Besides, it has jurisdiction only over the nationals of countries that have ratified its statutes, or those who commit an atrocity on the territory of a country which has. Neither the United States nor Iraq has signed up to the court.

A good case for a hybrid

The first plausible option is therefore to create a special war-crimes tribunal, manned by international judges, along the lines of those set up by the United Nations for Rwanda and ex-Yugoslavia. But these have proved slow and costly, with the added disadvantage of being based far from the scene of the crimes, with proceedings often conducted in a language few of the victims or defendants fully understand.

A second option would be to use the all-Iraqi special tribunal for crimes against humanity that is being set up by the American-appointed Iraqi Governing Council with a strong American guiding hand, and

whose creation was announced just four days before Mr Hussein's capture. This seems to be the solution favoured by Iraq's present (unelected) leaders. George Bush and Tony Blair have both indicated that they support Iraq's wish to take charge of the trial, though Mr Bush has also insisted on “the highest international standards” and Mr Blair on “a proper, independent and fair process”.

There lies the rub. Could an American-backed court, manned by Iraqi judges and based on existing Iraqi law, really deliver a fair and independent process? Many outsiders doubt it. It will be hard to find Iraqi jurists, whether returning exiles or former judges under Mr Hussein's regime, who are wholly impartial. Nor would they have the necessary experience in the complexities of international humanitarian law. Besides, even an impeccable process that was managed in this way might well be denounced as “victors' justice”.

The best option would therefore be a hybrid tribunal, backed by the UN, consisting of a mixture of local and international judges, based in Iraq, and operating under international law. Such a court has already been set up to try war crimes in Sierra Leone and now in Cambodia. Iraq would benefit from the imprimatur of the UN and by tapping accumulated international expertise in conducting such a complex proceeding. With independent judges, some of them drawn from Muslim countries, such a trial would establish for future generations a clear record of the crimes of Saddam and his regime.

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Italy

Bravo, President Ciampi

Dec 18th 2003
From The Economist print edition

The Italian prime minister's power needed to be checked. Thank goodness it now has been

AP

WHEN Silvio Berlusconi was campaigning in April 2001 to be elected as Italy's prime minister, he promised to deal with conflicts between his business interests and his political ones within 100 days of entering office. Naturally, he did no such thing. Instead, his coalition government submitted a bill to parliament that promised to increase the control of Italy's media held by his company, Mediaset, a level of control that was already excessive by most countries' standards, especially once it was combined with the influence over state television channels that he can enjoy as prime minister. On December 15th, however, Mr Berlusconi received a shock. President Carlo Azeglio Ciampi, the head of state, refused to sign the bill, which had passed both houses of parliament, into law. This brave and principled refusal is the best news Italy's constitution has had during the two-and-a-half years of Mr Berlusconi's prime ministership.

A prime minister who was respectful of the constitution and of the highly regarded President Ciampi (a former central-bank governor) would now think again. He would not only study carefully the five-page document President Ciampi sent to parliament explaining his refusal, to see how the communications bill needs to be amended, but also he would return to his promise to deal with his conflicts of interest, for that is what lies at the heart of this matter. Mr Berlusconi, however, has no such respect.

When asked about the points raised in the head of state's document, Mr Berlusconi's reply was staggeringly arrogant: “I have not read them, and I shall not read them.” And he announced a move that is staggeringly self-serving. One of President Ciampi's stated reasons for rejecting the bill was that it reversed a decision of Italy's highest court ordering Mediaset to move one of its channels, Rete4, to satellite broadcasting on the grounds that no operator's share of terrestrial output should exceed 20%. Under the court's ruling, the move had to be implemented by December 31st. Yet Mr Berlusconi says his cabinet will simply draw up an emergency decree to keep Rete4 in business. It is a channel whose evening news bulletins exude pro-government sycophancy.

Unfortunately for the prime minister, such decrees also need the head of state's signature. President Ciampi should refuse it. That is politically tricky, since Rete4 has about 1,000 employees. But that also should give the president some bargaining power. He could offer to sign a decree giving strictly temporary relief to Mediaset on condition that Mr Berlusconi would meanwhile do two things: amend the communications bill so that it no longer in effect lifts limits on the share of TV advertising revenue any group can own; and, even more important, eliminate his own conflict of interest by selling his, and his family's, media holdings. A promise kept, albeit belatedly: now that would be a novelty.

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The European Union's constitution

Brussels breakdown

Dec 18th 2003
From The Economist print edition

European leaders should take more time to reflect on their planned constitution

Get article background

IN EVERY crisis there is opportunity as well as difficulty. So it is with the collapse of last weekend's European summit, which was meant to adopt a new constitutional treaty for the European Union. The proximate cause of the breakdown was a row about voting rules, with France and Germany demanding a change to reflect more closely their population sizes, and Spain and Poland insisting on keeping the system agreed in Nice three years ago that gives them disproportionate weight (see article). But the reality is that nobody was keen enough on the draft before them to make the summit succeed.

Therein lies the opportunity. *The Economist* has long argued that the European Union needs a constitution that is simpler to understand than the present hotch-potch of treaties, and that sets out clearly and definitively the division of powers between the centre and the member countries. Sadly, the 250-page document before the summit, based on a text produced by a convention chaired by Valéry Giscard d'Estaing, a former French president, was no such thing. It was, rather, just another treaty, barely easier for the layman to grasp than existing ones. Yes, it made some improvements over those earlier treaties—including, as it happens, the new voting system backed by France and Germany—but it also introduced defects of its own. Above all, it did too little to bring the Union closer to its increasingly baffled and disillusioned citizens.

After the summit's demise, there are two temptations to which EU governments should not succumb. The first is to declare that they were in fact close to an agreement on the draft constitution, so that, after a short delay, they should make another attempt to adopt it in broadly its present form. Already there is talk of doing this after next June's European elections, when the reliable Dutch will take over the EU presidency (the erratic presidency of Silvio Berlusconi, Italy's prime minister, was one reason why the Brussels summit failed).

There are two big objections to this plan. One is that it may well not work. If the protagonists refused to compromise last weekend, why would they do so next July? Poland and Germany, in particular, seem to be entrenching their respective positions on voting, not preparing to give ground. But an even bigger objection is that ten new countries (including Poland) are formally joining the EU only next May. Few have more enthusiasm than the existing members do for the draft constitution. It would surely be more sensible now to see how a Union of 25 works under the existing treaties, warts and all, for a year or two—and only then take a fresh look at what sort of new constitution is needed to make it both more effective and more comprehensible. That would create the opportunity for a more inspiring (and shorter) text than the present one.

Core dangers

The second temptation seems to appeal particularly to Jacques Chirac, the French president, who proved the least willing to negotiate at the summit. It is to respond to what France sees as the impossibility of working with 25 members in a club designed for six by re-creating a smaller club. Mr Chirac calls this a “pioneer group”. Others have spoken of a “hard core”, perhaps built around the original six of France, Germany, Italy, the Netherlands, Belgium and Luxembourg.

The European Union is already a club in which different countries participate in different policy areas, such as the single currency or immigration rules. The Nice treaty provides for more such groupings, although it specifies a minimum of eight participants. But what Mr Chirac has in mind is an inner group that might even set up its own institutions outside the current Union. Neither he nor anybody else has worked out what such a group might actually do, and Italy, the Netherlands and even Luxembourg have said they do not favour it. The French and Germans should take heed: if they were now to try seriously to build an inner sanctum, they would only make themselves even more unpopular with other EU countries than they already are.

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Business behaviour

Another scandalous year

Dec 18th 2003
From The Economist print edition

Yet, despite the headlines, things are looking up in the boardroom

LIKE 2002 and 2001 before it, 2003 has been a year in which scandals have dominated the business headlines. Dodgy accounting seems to have been rife, from HealthSouth, an American medical services company, to Ahold, a Dutch grocer which earned the sorry nickname of “Europe's Enron”. The year ended with turmoil at the top of Boeing and an Enronesque meltdown at Italy's Parmalat, one of the world's biggest dairy firms. Each new story appeared against a constant background of complaints about bosses being paid far too much—not least GlaxoSmithKline's Jean-Pierre Garnier, who this week belatedly, and grudgingly, accepted a restructured pay package that would not reward him so well in the event of failure. On top of this were trials, and talk of still more trials, of errant executives connected with, among many others, Tyco, Credit Suisse First Boston, Crédit Lyonnais, Mannesmann and, of course, Enron and WorldCom.

This flow of scandal is likely to continue into 2004, not least because legal proceedings in current cases are far from over. It will be easy to conclude that standards of corporate behaviour remain as bad as ever, and that the typical chief executive would be more appropriately employed on a chain gang. That would be a mistake. Whisper it softly, but there are plenty of reasons to be optimistic about how the world's big companies will conduct themselves in the future.

There is good reason to believe that there has been a turn in the business-scandal cycle. In 2001, the headlines telling of misdeeds were a leading indicator of much more to come. Now the headlines are best viewed as a lagging indicator of bad deeds past, not a sign of current conduct.

Some corporate crook may be busy at this very moment fiddling figures. But if he is, he is more likely to be caught earlier. There are many signs of improvement, and those most clearly visible are at the top of the corporate tree. Chief executives, who with their imperial swagger were among the worst offenders, especially in America, have been cut down to size (see article). They have learnt the hard way that, to avoid humiliation, they need to be on their best behaviour, and they have spent the past two years cleaning house. That is just as well. Investors have been much less willing to give a firm the benefit of the doubt than during the bubble years.

Crucial, too, has been the recent focus of managers, investors, regulators and politicians on improving corporate governance. This has been faster and more thorough in America than in Europe, though there has certainly been significant progress in many continental countries, and Parmalat will give the reform process a further nudge in the right direction (see article). True, there remain reasons to fear that governance standards may, as ever, become too relaxed during the next business boom. Institutional shareholders, in particular, remain mystifyingly reluctant to play their proper role in watching over the managers of the firms they own. But for the time being, there seem to be plenty of corporate watchdogs alert enough to catch most miscreants.

Boardroom spirits

Equally encouraging, fears that the emphasis on corporate governance would suffocate big firms with bureaucratic rules have proved to be misplaced. Animal spirits are gradually returning to the boardroom. Plans for growth are replacing plans for better governance at the top of the corporate agenda. Cheered

by stronger profits and a global economic upturn, investment is picking up, even in information technology.

Both the business cycle and the business-scandal cycle will one day sour again. But for now, both look to be headed in the right direction, in which good corporate behaviour combines with a growing appetite for taking reasonable risks. This is the combination which creates real wealth, for shareholders, employees, customers and, yes, even for top managers—or at least for those who are willing to earn what they receive, and don't need to cook the books to fill their pockets.

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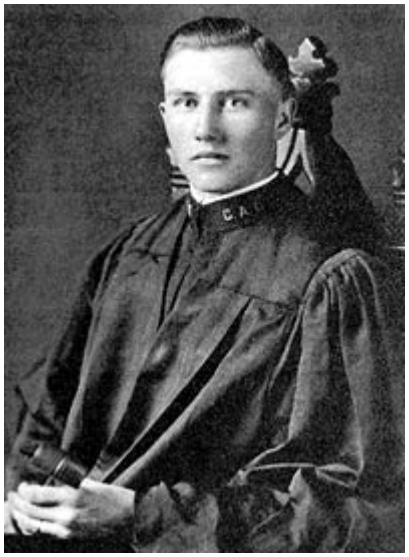
Strom Thurmond's daughter

Yes, he did

Dec 18th 2003 | COLUMBIA, SOUTH CAROLINA
From The Economist print edition

And all the laws did not prevent him

AP



Big daddy

IT OFTEN happened in the segregated South a century or two ago: a powerful white man fathered mixed-race children with a black slave or servant. Until this week, Thomas Jefferson's relationship with Sally Hemings was the most famous of these once-secret liaisons. Now comes a rival: the late Senator Strom Thurmond, whose 24-hour filibuster against a 1957 civil-rights bill is still the longest-ever speech on the Senate floor. On December 15th his family said that they “acknowledge Ms Essie Mae Washington-Williams's claim to her heritage.” Her father died in June, a ripe 100.

Ms Washington-Williams, a 78-year-old former school teacher who lives in Los Angeles, had until now denied the relationship, insisting that she and the senator were merely “close friends”. They had agreed to put it like this decades ago, she says, to save him embarrassment and protect his political career. If she stayed quiet—as she did—her father would help her with money.

Essie Mae was born in 1925 to a 16-year-old black maid, Carrie Butler, who worked in the Thurmond family's home in strictly segregated Edgefield, South Carolina. Strom, then 22 (two years older than our picture), had been living at home and teaching at a local school.

The parentage of the light-skinned child was for years an open secret among local blacks. Whispers began among whites when Strom Thurmond, by then South Carolina's governor, arranged for his daughter to go to the all-black South Carolina State College in the 1940s. He visited her there several times, arriving in his gubernatorial limousine. Later, annual meetings at his Senate office in Washington, and regular financial payments, apparently continued until his death. But he never admitted publicly that she was his daughter, even when a South Carolina newspaper said in 1972 that he had “coloured offspring.”

This week, his daughter said that “within his heart, I don't really think he was [a racist]”, blaming all that on his political career. Thurmond was quite a liberal state governor: he denounced lynching, and called for more money to be spent on black schools. But he changed when he ran for the presidency in 1948, declaring that “on the question of social intermingling of the races, our people draw the line. And all the laws of Washington and all the bayonets of the army cannot force the Negro into our homes, our schools, our churches...”

He married a former beauty queen in 1968 and had four legitimate children, three of whom are still living and were mentioned in his will. His black daughter was not, but she has “no intention” of contesting her father's will.

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California's environment

A green in wolf's clothing?

Dec 18th 2003 | SACRAMENTO
From The Economist print edition

Arnold Schwarzenegger goes an unexpected colour

“HUMMERS aren't clean, and Arnie's not green!” It was a popular chant among the leftists who hounded Arnold Schwarzenegger during his campaign for California's governorship. They were outraged that a man who owns a fleet of these huge, gas-guzzling vehicles could claim to be a good environmentalist.

Nor is that his only offence against greenery. Mr Schwarzenegger is a business-friendly Republican in a state where the main challenge to the Democrats has come from tree-huggers: Green Party candidates such as Ralph Nader, who ran for president in 2000, and Matt Gonzalez, who nearly won the mayoralty of San Francisco. Arnie has surrounded himself with conservative advisers such as Pete Wilson, a former governor, and people from the Hoover Institution. And then there is his fondness for George Bush, the *bête noire* of greens, whom he bear-hugged after winning the governorship.

Can such a man really be a friend of the planet? Shockingly, the answer may be yes. Even his warm relations with Mr Bush may help him enliven Californian greenery in ways Gray Davis, his Democratic predecessor, could not hope to.

Mr Schwarzenegger has gone far beyond the usual “greenwash” of politicians. His platform is stuffed with specific proposals for protecting the state's forests, improving air and water quality, and dramatically expanding the use of renewable energy. He even promises to defend California's controversial new law regulating the emission of greenhouse gases from cars—the first such law in America—against challenges from the car industry and from the Bush administration. His agenda delights most mainstream environmentalists, who usually favour Democrats. The Thursday Group, a group of leading business organisations, grumbles about the burdens it imposes: it is too green for them.

What is more, says Nancy Ryan of Environmental Defence, a lobbying group, his ideas are often based on innovative, market-based approaches. Take the car-jammed bridges around San Francisco, a big source of air pollution. Mr Schwarzenegger wants to introduce congestion charges (replacing traffic-impeding toll booths with the clever technology London has) to get the cars moving.

Then there are his plans for the energy industry, a big polluter. He wants to fix the state's botched attempt to deregulate electricity by going for properly liberalised markets (for example, by introducing meters that will let the price of power fluctuate with demand). He also promises to build a “hydrogen highway” so that cars powered by hydrogen fuel cells, squeaky-clean “motors” that emit no pollution at all, have places to refuel.

He even seems ready to put some of these schemes into practice. He has named Terry Tamminen, a green with impeccable credentials, to be head of the state's Environmental Protection Agency. Another encouraging sign came during his first week in office, when Congress considered a bill that would have hindered the state's attempt to control pollution from filthy small engines, such as those that power lawn-mowers. Uniquely among American states, California has the legal right to impose stricter environmental standards than the federal law (it won these waivers back in the days when it first began to deal with smog). It looked as if the bill might pass, until Mr Schwarzenegger personally lobbied Republican friends in Washington. In the end, he won a compromise that let his state keep its higher standards.

Why is Arnie bothering with greenery? Mr Tamminen suggests that his boss has seen at first hand, through his charity work, how much inner-city children suffer from pollution-caused troubles like asthma. There is also his left-leaning friends and family: he is married to a Kennedy, and has been advised by Robert Kennedy junior, an environmental lawyer and sharp critic of Mr Bush's policies. Or the explanation

may just be expediency: many Californian Republicans are greener than the average American.

It is not ridiculous to suggest that Mr Schwarzenegger could turn out to be the country's greenest governor. And history shows that, where California goes on the environment, the rest of America often follows. Already, virtuous Arnie is converting his Hummers to clean hydrogen fuel.

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Politics, the Chicago way

The Fitzgeralds are coming!

Dec 18th 2003 | CHICAGO
From The Economist print edition

A former governor is indicted as a clampdown on corruption spreads

YOU don't have to see the Chicago River dyed green on St Patrick's Day to know how thoroughly Irish-Americans colour this city. The main brood are the Daleys, led by the mayor, Richard, son of the 1960s fixer. The Madigans include the speaker of the lower house of the Illinois legislature and his daughter, the state's attorney-general. Chaps named Duffy and Carey head the city's two big futures exchanges.

The Ryans had something of a run too: George was governor until earlier this year (and won international acclaim for emptying the state's Death Row), and Jim (no relation) was attorney-general. Jim, however, lost the race to succeed his namesake, and now George has been indicted by a federal grand jury on December 17th on 22 counts ranging from racketeering to lying to the FBI. He insists he is innocent, but the scope of the charges has shocked Chicago.

The indictment also marks the rise of another clan: the Fitzgeralds. In two short years Patrick Fitzgerald, the federal prosecutor who arrived from New York in 2001, has become the most feared man in state and local politics, diligently pursuing a series of corruption probes.

The charges against the former governor partly stem from a probe begun five years ago by Mr Fitzgerald's predecessor. “Operation Safe Road” uncovered a trucking-licences-for-bribes scam in the secretary of state's office (which Mr Ryan held from 1991-99). So far 59 convictions have been secured. The scandal, which gained momentum after six children were killed in a crash caused by an illegally licensed trucker, haunted Mr Ryan's governorship, denying him any chance of a second term.

But Mr Fitzgerald is aiming much wider than just the truckers, claiming that “the state of Illinois was for sale” under Mr Ryan. The indictment also probes into state computer contracts and into Phil Gramm's 1995-96 presidential campaign. The former Texan senator is in the clear, but Mr Ryan allegedly distributed “consulting” payments to his cronies.

Meanwhile, Mr Fitzgerald also seems to be making progress in the “McPier” scandal, so named because the Chicago agency under review—the Metropolitan Pier and Exposition Authority—runs McCormick Place, a big convention centre, and the Navy Pier entertainment complex. Earlier this month, the girlfriend of the Ryan aide who ran the authority, agreed to co-operate. And Mr Fitzgerald has also been pressing ahead with a third corruption investigation—into the Duff family. The Duffs, who happen to be friends of Mayor Daley, have been charged with setting up front companies to obtain minority contracts from the city; they too have angrily protested their innocence.

Mr Fitzgerald is a hard man to ward off. He works prodigiously (he has also cracked down on gangs). He seems genuinely independent, pursuing Republicans and Democrats with equal zeal, and he harbours no overt political ambitions.

His main backer has been Peter Fitzgerald, the state's Republican senator (again no relation). He pushed the lawyer for the job, despite the opposition of Dennis Hastert, the Republican speaker in Congress, who comes from Illinois. Another quirky figure, Senator Fitzgerald has upset the locals by investigating Pentagon contracts with Boeing, the aerospace giant that Mayor Daley lured to Chicago from Seattle.

Is Illinois really cleaning itself up? There is a new state ethics law (but, pessimists point out, it got watered down). Much depends on Fitzgerald the prosecutor. Fitzgerald the senator is, alas, retiring. Possible replacements include a Democrat named Jack Ryan. He is related to neither George nor Jim; but, no surprise, many of his campaign posters just read “Jack”.

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Property rights in Alaska

Pilgrim's progress

Dec 18th 2003 | SEATTLE
From The Economist print edition

By bulldozer, across a national park

ROBERT ALLAN HALE says he just wants a quiet piece of land for his family. Instead, he has become a celebrity in America's largest state, a symbol of what is supposedly wrong with the national park system, and the beneficiary of a somewhat makeshift Berlin-style airlift.

AP

Fertile place, Alaska

Two years ago, Mr Hale, a bearded 62-year-old who goes by the name of Papa Pilgrim and who has named his children after scenes and characters in the Bible, paid $450,000 for land in the mountainous wilderness 300 miles east of Anchorage. There he, his wife and his 15 children hoped to hunt, fish, raise sheep and goats, and do odd jobs in the little town of McCarthy, 13 miles away.

In the autumn of 2002, to make it easier to reach their property, they fired up an old bulldozer and hacked a path from their compound to McCarthy, following an old trail. Hell broke loose. The path went across the country's largest national park, called Wrangell-St Elias. Park Service officials sent rangers to stop the road-building, to the joy of greens. But property-rights advocates rallied to the cause of a peaceful, Bible-quoting family.

The issue at the centre of the dispute is the old trail that Mr Hale followed. Under an obscure 1866 mining law, roads and paths established long ago may be re-opened, even if they are now in national parks. In late October, Congress, egged on by miners and people who use off-road vehicles, declined to limit the law's use, and the Bush administration has generally tried to make using such paths easier.

Alaska is criss-crossed with old mining roads and trails established before the national parks, monuments and wildlife refuges that cover 75% of the vast state. But Wrangell-St Elias National Park is also governed by guidelines set down in 1980, when the park was established. “Inholders” (ie, private landowners, like the Hales, who are surrounded by public land) have a right of access to their property, but they must apply for a permit for a new road.

Mr Hale says the Park Service is trying to starve him out. The Park Service says there would probably never have been a problem if he had only applied for a permit—which he has refused to do. They add that his land is accessible by foot and horseback during the summer, by snow machine during the winter, and by aircraft nearly all the year.

Last summer, the stand-off got a little ugly. Park officials and Hale family members, both armed (against bears, says Mr Hale), eyed each other warily, sometimes videotaping one another's actions. Park rangers closed the road and issued warnings to Mr Hale's kin for various minor misdeeds. In November, a federal judge told both sides to behave themselves, but he sided with the Park Service on the issue of Mr Hale's needing a permit.

Mr Hale is working with his lawyers to change the judge's mind. Meanwhile, conservative property-rights enthusiasts have paid for an airlift to take the family the fuel and other things they need—with mixed success. One aircraft crashed in October (the pilot was unhurt). Currently, the Hales' landing strip has too much snow for wheeled aircraft but not enough for those with skis. Mr Hale, speaking via satellite telephone, says his family is struggling with an old power generator and food that is not much more than rice and flour.

Not all the locals have rallied to his cause. Mr Hale has a controversial past: in 1958, he eloped with his high-school sweetheart, the daughter of John Connally, a future governor of Texas, and the girl committed suicide. In Alaska, his family has been accused of letting its livestock trespass on to other people's land and of disrupting tiny McCarthy (population: 42). As for Mr Hale's purported poverty, he gets $1,100 a year for each family member from the Alaska Permanent Fund, a state piggybank filled with oil money.

Yet Alaska continues to pull in people looking for American wilderness as it used to be. In October, another migrant, a Californian named Timothy Treadwell, and his companion were killed and eaten by brown bears, animals for which Treadwell claimed to have a special affinity. Now come the Hales, seeking something even Alaska can no longer offer: a chance to bulldoze a road of your own.

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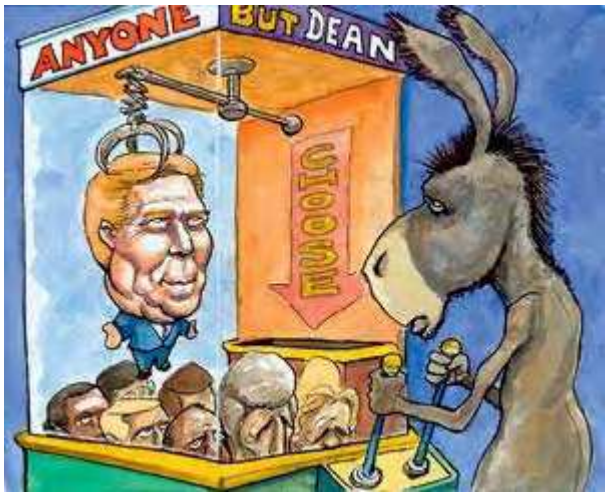
Lexington

Back to the drawing board?

Dec 18th 2003
From The Economist print edition



Dick Gephardt may be the Democrats' best chance of stopping Howard Dean

PERHAPS Al Gore really is cursed. Last week this column argued that his endorsement made Howard Dean look unstoppable. Then a *diabolus ex machina* appeared to throw a weighty obstacle in the good doctor's path. The unearthing of Saddam Hussein has not only left Dr Dean looking visibly discombobulated; it has also relaunched the search for an alternative Democrat to take on George Bush. It may be hard to overhaul the former Vermont governor so late in the day, but that has not stopped the Anyone But Dean lot marching into action again.

Saddam's discovery solidified the party establishment's swirling fears about Dr Dean's anti-war insurgency. What happens if the Baathist “dead-enders” really do come to a dead end? Or if Mr Hussein's trial fixes the spotlight on his crimes against humanity rather than those missing weapons Dr Dean bangs on about? The White House will paint Dr Dean as the man who would have left a monster in power. Many Democrats worry that this could spell doom not just in the presidential fight but also in the battles for the Senate and the House.

For one man, the resumption of the search for an ABD candidate could not have come at a better time: Dick Gephardt. The veteran congressman is not the most hawkish candidate. That honour goes to Joe Lieberman, who this week accused Dr Dean of hiding in his “own spider hole of denial” when he says Saddam's capture makes America no safer. But Mr Lieberman has little chance of appealing to the party's powerful leftists.

Mr Gephardt's other rivals for the ABD mantle also have problems. John Kerry's fixation on the Vietnam war seems to leave him stranded in the wrong decade. His campaign also looks pretty disorganised—and how can you trust a man to run the country if he can't even run his own campaign? Wesley Clark's candidacy has still not recovered from the general's inability to decide whether or not he supported the Iraq war. As for John Edwards, the renewed focus on foreign policy simply reminds people how inexperienced in these things the young senator is.

True, Mr Gephardt may be largely the ABD candidate by default; but he has some positive points. To begin with, he is the candidate whom Republicans, including their master-fixer, Karl Rove, claim to fear the most. Mr Rove is accused of bluffing, but the worry about Mr Gephardt is remarkably widespread in Republican ranks, and there are several solid reasons why.

The most important is the fear that “Reagan Democrats”, particularly blue-collar males in industrial states, will defect back to their ancestral party. The revolt of Joe Sixpack helped doom George Bush senior's re-election bid in 1992. And the haemorrhage of jobs in the past three years—particularly in the manufacturing sector—has given Joe plenty of cause to think twice before voting for the son. The tides of protectionism are rising in the United States, and Mr Bush's fear of being washed away by them can be seen in everything from his flirtation with steel tariffs to his obsessive visiting of big industrial states.

Mr Gephardt is in a far better position than any of his rivals to woo these Reagan Democrats. The son of a milkman (and loyal Teamster), he grew up in an area where everybody flew American flags on their porches and went to church every Sunday. By contrast, Dr Dean is the son of a wealthy stockbroker and grew up in effete Long Island. Mr Gephardt has been advocating protectionism for decades, but Dr Dean is only a recent convert to the alleged evils of NAFTA. True, Dr Dean has the support of the bigger trade unions, but they are from soppy services and the public sector. Mr Gephardt's 21 trade unions mainly represent industrial muscle, not paper shufflers.

Moreover, he is a mid-westerner in an election that could well be decided in that region. He surely has a better chance than Dr Dean of capturing his native state, Missouri, which Mr Bush won by a slender margin in 2000, and of winning Ohio, which voted for Mr Bush in 2000 but has lost many jobs since then.

Mr Gephardt is also selling himself as a safe pair of hands. With 27 years as a congressman and 13 years as leader of the Democratic caucus behind him, he will be harder to depict as a novice than will the ex-governor of Vermont, a small and eccentric state. He stood shoulder-to-shoulder with Mr Bush on the war in Iraq, though he has carefully avoided making this the leitmotif of his campaign, as Mr Lieberman has; he would be less horrific for Dr Dean's supporters to accept.

Even the timing helps to explain why Mr Gephardt looks the logical ABD candidate. If the doctor is going to be derailed, it will have to be done early—and the Iowa caucuses start the whole campaign. It is a measure of Dr Dean's achievement that he is running level with Mr Gephardt in Iowa, which should be solid Gephardt territory: a third of caucus-goers are trade-union members and another third are senior citizens.

A flicker of a glimmer

And so he has a glimmer of hope—but only a glimmer. If Dr Dean fails in Iowa, he could well win New Hampshire the next week. If Mr Gephardt fails in Iowa, his candidacy is dead. More than anything else, Mr Gephardt's emergence as the most likely ABD candidate shows what a state the Democrats are in.

It is not just that no sitting House member has won the presidency since James Garfield in 1880. If Mr Gephardt wins, the Democrats may come to wonder whether ABD should have stood for Anyone But Dick. They will have as their candidate a man who has been far to the left (and usually wrong) in just about every economic argument of the past two decades, and whose leadership in the House has coincided with a relentless decline in his party's fortunes. Still, unless Hillary Clinton steps into the race—and so far that *dea* is staying in her *machina*—Mr Gephardt's Mondaleish brand of mid-western populism is the best weapon the ABD faction of his party can muster.

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Haiti

The sad bicentennial of a once fabulous sugar colony

Dec 18th 2003 | PORT-AU-PRINCE
From The Economist print edition

Reuters

The opposition is trying yet again to get rid of President Jean-Bertrand Aristide in a long-misgoverned country

Get article background

ON JANUARY 1st 1804, Haiti became the world's first independent black republic, after a successful 12-year revolt by slaves, inspired by Jacobin principles, ousted the French from what was then a fabulously rich sugar colony. But the bloody and destructive independence war helped to blight the fledgling republic. So did misgovernment. On independence day in 1904, President Rosalvo Bobo told his countrymen that he was “tired...of our stupidities” and lamented “a century of slavery of negro by negro”. He urged Haitians to mend their ways, so that by January 1st 2004 their descendants might have something to celebrate on their country's bicentenary.

But now Haiti finds itself contemplating a second wasted century. It is the poorest country in the Americas (80% of its 7.5m people are poor); it leads the region only in AIDS, malnutrition and infant mortality. Yet its current president, Jean-Bertrand Aristide, is unlikely to be as penitent as Bobo. Mr Aristide, a former Catholic priest midway through his second term, doesn't do self-criticism. He sees the bicentenary as a showcase for Haiti's achievement of democracy and political tolerance after decades of dictatorships.

That is not how his opponents see matters. An alliance of opposition parties, civic groups and students is calling for his resignation. Militants have warned him not to show up for the bicentenary celebration in Gonaïves, the third city and a cradle of the independence struggle, following weeks of bloody protests there by angry former Aristide loyalists.

The president, a messianic populist, was once hugely popular among Haitians, and especially the poor. Elected in 1990, he was overthrown by a military coup nine months later, only to be reinstalled in power by American troops sent by President Bill Clinton. After Mr Aristide's second election victory in 2000, disillusion has grown.

The factionalised opposition has boycotted the government ever since a dispute over alleged fraud in parliamentary elections in 2000. That prompted an aid cut-off that cost Haiti $500m. Discontent has simmered, over corruption, economic penury and government thuggishness.

It boiled over this month when pro-Aristide thugs, backed by police, broke into the national university and attacked students, wounding several. When the university rector tried to intervene, he was set upon and knee-capped with iron bars by the attackers. Mr Aristide later condemned the incident, but criticised the students. They have responded with daily demonstrations. “We are mobilised until he goes,” said Laurent Jimmyka, a student leader, as he dodged police tear gas.

The opposition, looking increasingly united, has joined in, along with businessmen and trade unions. A general strike on December 16th closed almost all businesses. The next day, police broke up a planned demonstration, leaving dozens injured.

So far, the protests have been largely limited to what pass for middle-class neighbourhoods in the run-down capital. Police and pro-government demonstrators hold the streets around the presidential palace, where hard-core loyalists chant “Aristide is King”. But the infamous slums of Port-au-Prince, where Mr Aristide was once considered a saviour, are strangely quiet. In Gonaïves, former gang leaders have switched allegiance, battling police daily in the slums. The heavily armed Special Brigade, an irregular police force, patrols the streets menacingly in black uniforms. Local residents accuse them of several killings.

Because of the street violence, work crews have been unable to put the finishing touches to the city plaza where the bicentenary ceremony is due to be held. But Mr Aristide says the celebration “must” go ahead. He has invited a host of heads of state, mostly from Africa and the Caribbean. One of the few who has so far accepted is South Africa's Thabo Mbeki, who has taken the precaution of sending ahead a South African navy vessel, equipped with air crew and medics, to sit offshore.

Mr Aristide puts some of the political turmoil down to what he calls “democracy in the making”. He blames, too, the aid cut-off. Some aid is now flowing again, mainly from the Inter-American Development Bank. But continued support from the outside world may depend on the next round of parliamentary elections due in January. The government and opposition have yet to agree on the composition of the electoral authority. Time is running out. If elections do not take place, the resulting void might scupper future loans, which must be ratified by parliament.

The president accuses the opposition of deliberately holding up elections it would lose in order to undermine his government. Just in case the money is blocked, Mr Aristide is looking elsewhere. To coincide with the bicentennial, he is threatening to sue France for return of the FFr90m Haiti was forced to pay as an indemnity to its colonial master after independence. He has a point. Those reparations—$21.7 billion in today's money, says the government—did much to vitiate Haiti's first century of nationhood. But opponents argue that the case is a frivolous distraction from the country's real problems. These start with its lamentable failure to turn democracy into a reality.

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Argentina's unemployed

Pickets unfenced

Dec 18th 2003 | BUENOS AIRES
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The jobless prove a political headache

AP

Street-fighting man

TWO years ago on December 20th, popular unrest forced the resignation of President Fernando de la Rua, and ushered in Argentina's traumatic devaluation and debt default. The economy is now on the mend. But for many residents of Buenos Aires, the anniversary will be significant mainly for the difficulty of trying to cross town. Three separate groups of *piqueteros*—jobless protesters from the metropolitan rust belt—plan to block the city centre.

The protesters, who survive on government welfare payments of just over $50 a month, have become a fixture. They are a handy excuse for lateness, and material for moans by taxi drivers. They are also a headache for Argentina's president, Néstor Kirchner.

Two years ago, they attracted widespread sympathy in an angry nation. No longer. Most Argentines are now fed up with the disruption caused by the protests. Polls in hand, Mr Kirchner last week attacked the *piqueteros* for the first time, accusing them of “setting Argentines against Argentines, because the roadblocks often affect those who work.”

But the president is treading carefully. There is no public appetite for repression. Mr Kirchner's predecessor, Eduardo Duhalde, felt obliged to cut short his term of office and call elections after police killed two demonstrators in June 2002.

The origins of the *piquetero* movement lie in the arrival of mass unemployment, for the first time in modern Argentina, in the mid-1990s. The state oil company laid off thousands of workers prior to its privatisation. Many lived in small towns in remote provinces, such as Neuquén and Salta; there, blocking the roads was the only way of getting the country's attention, says José Nun, a political scientist.

Unfortunately, the *piqueteros* will be around for a while. Though unemployment has fallen from its 2002 peak, it stood at 16% last May. The latest figure, which was to be released on December 18th, was not expected to show much of a drop, partly because of changes in the way it is calculated. The jobless do not officially include the 2.2m Argentines receiving welfare payments.

For now, Mr Kirchner is trying to divide and rule the protesters. Mr Duhalde's government outsourced the administration of part of its emergency welfare scheme to the *piquetero* leaders. The government accuses some of them of using the money to buy support for extreme-left politics. It is trying to isolate these hardliners. But according to Maristela Svampa, a sociologist at San Martín University, only a tenth of the payments are now run by the *piqueteros*, with most of the rest administered by local leaders of Mr Kirchner's own Peronist party. Like the leftists, the Peronists use the programme to buy political loyalty.

The bold option would be to turn a discretionary and politicised welfare programme into a state-run scheme, open to all who are genuinely unemployed. Instead, the government seems to hope that time and patience will heal. According to the Centro de Estudios para la Nueva Mayoría, a Buenos Aires political consultancy, this year *piquetero* roadblocks averaged 104 per month, down by almost half compared with 2002. But for months yet, Argentine taxi drivers will not be short of things to whinge about.

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Brazil's ruling party

Lula's purge

Dec 18th 2003 | SÃO PAULO
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The Workers' Party sheds its dissenters

THE Workers' Party (PT) of Brazil's president, Luiz Inácio Lula da Silva, believes in “full critical freedom” but also in “unity of action”. So says the party's boss, José Genoino. On December 14th four dissident legislators from the PT's left-wing who violated the second part of that credo were expelled from the party. Their sin: voting against the government's bill to trim the pensions of public-sector workers in order to contain Brazil's debt, and making their case loudly in public.

The expulsions are the result of the party's bruising transit from opposition to power. Heloísa Helena, the only senator among those expelled, maintains that she was simply sticking to principles that the PT ditched, but did not formally abandon, after Lula took office last January. In fact, this process began much earlier. The PT, born in 1980 as an agglomeration of social movements, trade unions, radical Catholics and left-wing intellectuals, became increasingly pragmatic as it began to win elections in states and large cities.

It has become even more so since January, for two reasons. First, lacking a majority in Congress, the PT heads a broad coalition with several centrist parties. Second, to avoid debt default or a return of high inflation, Mr da Silva had to convince sceptical investors that Brazil would be fiscally responsible. The government's economic policy has been anathema to the left: austerity, high interest rates, an IMF agreement and pension reform.

About a third of the PT's congressmen agree with the dissidents. Only 55 of the 87 members of the party's national executive voted for the expulsions. Even so, the split is unlikely to go much deeper, even if the dissidents set up a new party, as they have hinted. Unlike other Brazilian parties, the PT attracts more votes than the individual politicians within it. Eviction from it probably means political oblivion. The government may now face less dissent from within its ranks, though perhaps more opposition on the streets.

The PT itself will continue to evolve. With an eye toward municipal elections next year, it has expanded its membership. The new members, many recruited through the internet and a toll-free telephone number, are not the ideologically committed militants of yore. “Our role is to be a party of citizens, not of trade unionists,” says Mr Genoino.

The mainstream has its perils. The PT did not get where it is by being just another centrist party. Corruption, which the PT is quick to denounce in others, could also tarnish its image. The most potentially damaging of several recent scandals is the murkiest. Celso Daniel, a rising PT star who was mayor of Santo André in São Paulo state, was murdered in January 2002 just as the presidential campaign was getting under way. His family refused to accept the initial verdict that his murder was an ordinary crime and accused the PT of discouraging investigation.

This month prosecutors arrested a friend of Daniel's for the murder. His supposed motive: to stop the mayor from busting a scheme that extorted money from government contractors in Santo André. Some of the money, the family claims, found its way into PT coffers. It is a confusing tale, full of contradictions and unproven allegations. It may come to nothing. If not, the four PT radicals may come to lament their defrocking a little less.

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Afghanistan

Talking about a constitution

Dec 18th 2003 | KABUL
From The Economist print edition

AP

The loya jirga has got under way, bearing the country's hopes with it

Get article background

THE grand assembly, or *loya jirga*, appointed to promulgate Afghanistan's new constitution—and set its democratic future—began, on December 14th, with tears. Some children sang a lament to their nation: “Everyone in his turn has broken your heart.” Yes indeed, and many of them were sitting in the front row.

Two years after the fall of the Taliban, one can hardly look at Afghanistan and not reflect on things to come in Iraq. At least Saddam Hussein has been dragged out of his hole; Osama bin Laden is still at large. Afghanistan has yet to resolve its power struggles, and the resulting insecurity means that large portions of the country are off-limits to aid workers. The country exports little but opiates, and a reconstructed Afghanistan—let alone a prosperous one—still seems a very long way off. If anything, the *loya jirga* confirmed one truth: Afghanistan will be rebuilt only with the acquiescence of warlords and drug pushers.

Centre-stage was clean enough. The president of the transitional government, Hamid Karzai, sat next to the 89-year-old former king, Zahir Shah, now reduced to the symbolic role of “father of the nation”. The monarch gave a tidy speech, in effect winding up a kingship which began in 1933 and sputtered on in exile after he was deposed in 1973. Mr Karzai, on the other hand, missed a golden opportunity. Instead of something snappy and passionate, he issued a dreary progress report, the finer points of which were lost on less literate delegates.

There are 500 delegates in all, from across the country. A fifth are women. But it is unclear what influence, if any, the delegates will really have over shaping the final version of the constitution, most of which had been negotiated before they made it to Kabul. The biggest issue is political: should Afghanistan have a parliamentary or, as the draft now has it, a centralised presidential system?

Mr Karzai made his own views clear. He told delegates he would not run in next year's elections if they chose a parliamentary system. Afghanistan is too immature to deal with a division of powers, and the might of regional warlords militates against the federalism some would favour, he reckons. Most of his ministers agree. They would like to see two vice-presidents; or maybe three, which would keep the

factions happy while helping to tie them to the centre.

An exception is the defence minister, Mohammed Fahim, who quite fancied being prime minister. He now seems resigned to sticking to his defence portfolio and giving up a bit more of his private army, on the unspoken understanding that no one looks too carefully into his business affairs. Still, Mr Fahim is not to be underestimated. He showed savvy in turning up to the *loya jirga* in the get-up of a *jihadi* commander, an image reminiscent of the struggle against the Soviet occupation that ordinary Afghans appreciate.

The national anthem turned out to be a sticking point for many Pushtun delegates; they resent seeing their language usurped by Dari, the local variant of Persian, and would like more power at the expense of Mr Fahim and other northerners. But they are divided on the question of the monarchy, which some of them would like to revive, and on Taliban moderates, whom some want to see brought back into the fold. Many Pushtun delegates, when interviewed in a quiet corner, revealed reservations about Mr Karzai. But most said they will throw their hat in with him and a strong presidency; he may be Americanised, but Mr Karzai is still a Pushtun.

The danger is that in tailoring a presidency to suit Mr Karzai, Afghanistan is putting all its eggs in one basket. What if something should happen to him? What if he wins next year's election and goes to ground or turns bad, or else is beaten by a candidate from the thuggish school of Afghan politics? No one, though, has come up with a better alternative.

Another question to be settled by delegates is what sort of legal code Afghanistan should have. Judicial reform, overseen by Italian officials, has been messy. The government has skated over the issue, to its peril. The 1964 constitution called for laws “in keeping with the principles of Islam”. The new *jihadi*-fuelled draft calls for “laws in keeping with Islam”. A subtle change, but a worrying one for human-rights advocates. There are large bits of the legal code, they fear, to which *sharia*—or Islamic law—punishments such as amputation and stoning could be applied. Even more worrisome is the manoeuvring of Abdul Rasul Sayyaf, a conservative and piratical warlord, to head the new judiciary. Delegates appeared aghast at the thought, but a few ministers hinted a deal might be in the offing.

The mood on the whole was upbeat and positive. No matter that the whole jamboree was funded (and, of course, guarded) by foreigners: Afghanistan had come together, and as the first week ended the grand council was debating away without being rocketed or bombed out by insurgents. Whether this sense of renewal can survive a couple more weeks of debate, and carry Afghanistan forward, is another question. Without security, the rule of law and genuine popular support, the new constitution could suffer the same fate as the country's previous ones, which were largely undermined by the facts on the ground. Afghanistan's new democracy has its work cut out.

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Pakistan

Still standing

Dec 18th 2003 | LAHORE
From The Economist print edition

Lucky Musharraf, lucky world

“GOD is great,” said General Pervez Musharraf, minutes after his third brush with death in less than two years. A powerful bomb went off on the evening of December 14th under a bridge in Rawalpindi over which his motorcade had passed barely 30 seconds earlier. Certainly someone seems to be keeping a watchful eye on the general.

The first assassination attempt on Pakistan's self-appointed president was in April 2002 when a car packed with explosives was parked along his route in Karachi but failed to explode. A second, also in Karachi, a few days later was foiled when security men swooped on two people who had planned to attack him with a rocket launcher and a mortar. The latest attempt had al-Qaeda's fingerprints all over it. In September, two taped statements by Ayman al-Zawahiri, Osama bin Laden's number two, called on Pakistan's security forces to get rid of General Musharraf for “betraying Islam and letting America kill thousands of Afghans”.

AP

The survivor

Security agencies say that American intelligence pinpointed the source of the satellite phone call relaying the messages to a mountain hideout in Pakistan's south Waziristan tribal belt bordering Afghanistan. A week later, the Pakistani army sent troops into the area to flush out Mr al-Zawahiri. Eight al-Qaeda fighters were killed in the encounter but the target escaped. Al-Qaeda's links with local militant Islamic organisations are well established. Two weeks ago, General Musharraf launched another crackdown on some of these, declaring that the biggest security threat to Pakistan was not from India or any other external enemy, but from internal terrorist organisations espousing radical Islam.

The new attempt on his life suggests that General Musharraf's would-be assassins may have penetrated his security apparatus. He had been away in Sindh province for three days and his departure and arrival plans were a closely guarded secret. Investigators think the bomb, which mangled the well-guarded bridge hardly two kilometres from the army house in which he lives, must have been placed under it while he was away.

America was quick to express its relief, heaping praise on the general. So far, General Musharraf's security services have helped the American FBI to nab more than 500 al-Qaeda terrorists from various hideouts in Pakistan. But what if the assassination plot had succeeded? There is no doubt that Pakistan would have plunged into crisis. The army high command would have had to decide whether to elevate its deputy chief of the army staff, General Mohammed Yusuf, to chief of the army staff and president, in effect seizing power; or to retreat to the barracks, leaving the elected prime minister and parliament to appoint a new army chief and elect a new president as enjoined by the constitution. The current position, a hybrid of military and democratic rule, owes much to the canny manoeuvring of the general over the last five years and would be most unlikely to survive him.

In the first option, the military would presumably have had to sack or suspend parliament and perhaps impose a state of emergency—highly unpopular actions. At best the new regime would have struggled to stay the course with the general's policies favouring the West and against radical Islam and al-Qaeda. At worst, it would have bent towards the rising anti-Americanism and Islamism in the country.

With the civilian option, the danger is that without General Musharraf's muscle, the conservative Pakistan

Muslim League (Quaid) party he cobbled together would have been obliged to make common cause with the Muttahida Majlis-i-Amal (MMA), an anti-western, pro-Taliban religious alliance of six parties. It is entirely plausible that someone from the MMA would have ended up as president of Pakistan. That person might then have declared in favour of Islamism, and pushed for a more “independent” foreign policy more hostile towards India and unfriendly towards America's war on terrorism. In either case, Pakistan would have become less stable and more dangerous, at odds with itself and with the rest of the world. Long may the general's luck continue.

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Indonesia

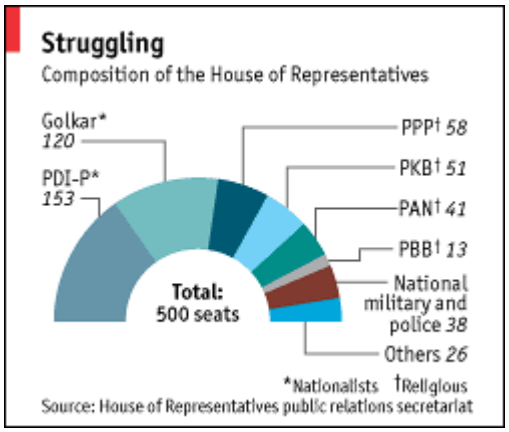
A year of living dangerously

Dec 18th 2003 | JAKARTA
From The Economist print edition

President Megawati and her party face a tough 2004

DESPITE its name, the Indonesian Democratic Party of Struggle (PDI-P, by its Indonesian acronym) enjoyed a remarkably easy rise to the top of Indonesian politics. Just a year after its founding, it beat much older and richer parties to first place in parliamentary elections in 1999, winning 34% of the vote. The same year, its leader, Megawati Sukarnoputri, was elected vice-president. Two years after that, she took over as president. Now elections are looming again, and this time PDI-P finally has a struggle on its hands.

The party is predicting that it will win 42% of the vote in parliamentary elections next April, based on amalgamated estimates sent in by its regional offices. But an independent poll in September registered just 17% support for the party. Miss Megawati's personal approval rating has fallen even further, according to the same poll, from 49% in 2001 to just 16% nowadays; a presidential election is due in July. Where did the PDI-P go wrong?



A certain decline in the party's popularity was inevitable, points out Wimar Witoelar, a political consultant, since voters in 1999 seemed to invest all their nebulous hopes for political and economic reform in it, despite scant evidence that its leaders were truly committed to the cause. Miss Megawati became a figurehead for critics of Suharto, Indonesia's long-ruling dictator, almost by accident, as leader of one of the two opposition parties in the final years of his regime, and as a daughter of Indonesia's founding father, Sukarno. But since becoming president, she has cosied up to the army, Mr Suharto's willing helpers in the suppression of democracy, and made peace with the businessmen who grew rich in his day. Last year, in a typical move, she endorsed an army officer for the prestigious job of governor of Jakarta despite his having once led an infamous assault on a group of her supporters .

The PDI-P also seems to have adopted some of Mr Suharto's methods along with his friends. A member of the party's top brass complains that his colleagues only ever discuss appointments, never policy. All PDI-P officials and candidates, even for lowly provincial posts, are vetted by the national leadership. In theory, he says, this system weeds out crooks, but in practice, it just encourages them to buy their way into the party by paying off senior leaders. Kwik Kian Gie, one of the PDI-P's deputy chairmen, has publicly stated that it is Indonesia's most corrupt party. Eros Djarot, a former PDI-P member who now leads a rival party, echoes the same complaint: “We used to talk about good governance, but they are doing the opposite.”

What's more, the PDI-P is riven by internal disputes. Mr Djarot is one of many reformists to have quit. The few that remain, such as Mr Kwik, often vent their displeasure publicly. But the biggest rows centre on the selection of candidates for elections, such as a recent clash in Central Java province over who should run for governor. Unsurprisingly, many of the PDI-P's activists are opportunists, more concerned with their own future than the party's. Even the true believers are inexperienced, thanks to the party's rapid growth—especially compared with their counterparts in Golkar, the PDI-P's main rival and the dominant party under Mr Suharto's rule.

Pramono Anung, another PDI-P leader, acknowledges many of these problems, but insists that the party will sort them out before election day. It now has a much bigger branch network and campaign war chest than it did in 1999, he points out. It is also trying to ditch some lacklustre candidates, and replace them

with celebrities. Other parties, he adds, have their own internal problems. And the voters, he argues, are these days less interested in the sometimes wrenching process of reform than in the sort of macroeconomic and political stability Miss Megawati has presided over for the past two years. As for the polls, he thinks they do not give enough weight to poor and rural voters, and so underestimate PDI-P's support.

But Golkar also enjoys strong rural support and is associated with the rapid economic growth—not to mention the political stability—of the Suharto years. As the only other big secular nationalist party, it is in a position to profit most from the PDI-P's travails. Islamic parties are unlikely to benefit. Their attacks on the PDI-P do not seem to have struck home. Mr Pramono does not apologise for the high proportion of religious minorities among PDI-P members, and insists that the party must remain inclusive. Nor do many voters seem to have a problem with a female president. A spate of bombings by Muslim extremists has made Miss Megawati's traditional, folksy brand of Islam more appealing. So even if Indonesian voters were to abandon their country's biggest secular nationalist party at election time, they are unlikely to abandon the principle of secular nationalism altogether. What all that means is that Golkar is sitting pretty.

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Singapore

No more Mr Nasty Guy

Dec 18th 2003
From The Economist print edition

A kinder, gentler BG

SINGAPOREAN politicians are a stern and technocratic lot. Lee Kuan Yew, the country's founding father and first prime minister, was a famously severe and hectoring leader. Goh Chok Tong, his successor, is a much friendlier fellow. That prompted many Singaporeans to write him off as a mere seat-warmer for Mr Lee's son, Hsien Loong, though Mr Goh has already lasted 13 years. Now the younger Mr Lee—universally known as BG, since he used to be a brigadier-general—is indeed set to ascend to the premiership, probably in 2005. But before he does so, Mr Goh recently said, he has to learn "to let his softer side show."

Since then, the local media have dutifully bombarded Singaporeans with proof of Mr Lee's softness. Alongside the usual photographs of ribbon-cutting ceremonies and formal receptions, the papers have printed snaps of Mr Lee eating dinner with his children, walking arm-in-arm with his wife, and practising the clarinet as a child. The normally sober *Straits Times* devoted a two-page spread to Mr Lee's private life, highlighting his thoughtfulness (despite his busy schedule, he still finds time to advise old friends), his heroism (he once helped rescue passengers trapped in a cable car) and his humility (he uses public transport). Having described how Mr Lee broke down in tears during an interview, the paper concluded, "here is a man of deep emotion, who's not afraid to show his feelings."

Some impassioned pundits have even argued that Mr Lee's warmth and humanity are so obvious that they do not need advertising. In an article entitled "Mirage of Lee Hsien Loong's Image Problem", one columnist pointed out that Mr Lee had once shaken a fishmonger's hand, and, unlike his father, was fond of children. Another commentator dismissed all the fuss his colleagues were making about Mr Lee's new, fashionable red shirts, saying, "It's not just the shirt. It's how you wear it."

These are all unfamiliar concerns for Singapore, whose leaders are more or less immune to the swings in public opinion that plague politicians elsewhere. The prime minister is chosen by parliament, not the electorate at large. Only one party ever manages to get more than one or two candidates elected: the ruling People's Action Party, which has strolled easily to victory in every election since independence. When the prime minister announces his retirement, the party elders choose a successor, and then reveal him to the voters, as they recently did with the younger Lee. Having been handed the prime ministership on a platter, it is touchingly public-spirited of him to show any concern for his image at all.

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India

Treacherous roads

Dec 18th 2003 | DELHI
From The Economist print edition

A tale of corruption and murder

“IT SOUNDS like a movie plot,” says Shekhar Gupta, editor of the *Indian Express*, a leading daily newspaper. An earnest young engineer reports poor construction work and corruption on a large-scale project to his bosses. Getting nowhere, he writes to the prime minister, who personally instigated the project but takes no notice. His letter leaks and the engineer is assassinated by the contractors' mafia to silence him and teach others a lesson. The government tries to ignore the issue but a campaigning newspaper takes up the cause. The middle class rise up, with 45,000 letters to the newspaper and signatures on an internet petition. This forces the prime minister to act, as government departments try to avoid blame by publicly attacking each other, and more stories emerge about honest officials being killed by the underworld.

Unfortunately, the plot is not fiction. It is being played out in India, where corruption on substandard construction projects is commonplace. Officials are frequently killed or kidnapped by gangs in Bihar, the country's most lawless state. On November 27th, Satyendra Dubey, a 31-year-old engineering graduate working as a project manager on a Bihar section of India's 5,850km (3,650 mile) Golden Quadrilateral highway project, was shot dead.

The $5.5 billion Quadrilateral project was launched in 1998 by Atal Behari Vajpayee, the prime minister, to improve India's ancient potholed road system with four- and six-lane highways linking major cities. Unusually for India, it is more or less on target for completion in a year's time, and officials say it is within budget—despite poor performance by some foreign companies, notably from China and Russia, and inexperienced local contractors.

The *Indian Express* obtained a copy of a letter that Mr Dubey had written a year earlier to Mr Vajpayee, providing details of the malpractice and asking for his identity to be kept secret. Mr Dubey's list of dodgy practices included international and other large contractors farming out most of their work on the cheap to inexperienced operators and labour gangs, project plans that were understated so that contractors could bill excessive extras, and companies' providing false evidence of their experience—all done, he said, with the co-operation of officials.

The letter was leaked by a government department to people involved on the contracts, and Mr Dubey received threats, which he reported to officials. They merely reprimanded him for writing. Now they are trying to deflect attention by pointing out that it is quite likely that Mr Dubey was killed by one of several contractors whom he had upset by, for example, forcing them to replace faulty work.

Either way, the saga exposes corruption in India's construction industry and the indifference of officials unused to justifying their actions publicly. The government now insists that procedures are being tightened, and Mr Vajpayee says that those responsible for Mr Dubey's death “will not be spared”. But, as Mr Gupta puts it, the general government view seems to be that he was too honest for his own good.

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Christmas in China

Ho, ho, hao

Dec 18th 2003 | BEIJING
From The Economist print edition

Cash registers ring out

VISITORS to the Beijing Aquarium earlier this month might have been surprised at the sight of two divers both dressed as Father Christmas planting a large plastic tree at the bottom of a tank full of sea creatures. The aquarium is under the control of the city government. China officially espouses atheism and is deeply suspicious of religion. But in the interests of encouraging consumer spending, the government is happy to abet a Christmas craze that is sweeping big Chinese cities.

Reuters

Bearing gifts, we travel afar

Officials can relax in the knowledge that Christmas in China has even less to do with celebrating the birth of Jesus than it does in countries supposedly steeped in Christian culture. The government says that only about 1% of the population is Christian. Even the most generous unofficial estimates put the figure at only around 10%. Yet in the space of 15 years or so, Christmas's visible impact on China's main cities has changed from being almost negligible to as in-your-face as it is in the West. Shop windows and office buildings are festooned with Christmas decorations, fairy lights and Christmas trees.

A Beijing government survey two years ago found that 30% of the capital's residents planned to celebrate Christmas. Of these more than half said they did not know the religious origins of the festival and less than 3% said they wanted to mark Christmas for religious reasons. For the rest it was a pretext to exchange gifts and party with friends.

Surveys suggest that celebrating Christmas is most popular among young, affluent white-collar workers. Such people see Christmas as a way of enjoying themselves without the pressures of the big family get-togethers of the lunar new year festival, China's most important holiday (which falls on January 22nd next year). In effect it is a more hedonistic, bigger-spending version of Valentine's Day, another increasingly popular import.

The aquarium is among many venues in Beijing offering Christmas Eve dinner and entertainment for the well heeled (few will celebrate on the day itself because it is a working day). Tickets range from $48 to $140, equivalent to about six months' worth of spending on food for the average urban resident. For this, revellers can enjoy a buffet with a mix of roast turkey and Chinese dishes, more underwater Father Christmases and a “dance-with-sharks” stunt by divers, prudently unencumbered by red robes.

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Iraq after Saddam's capture

After the euphoria

Dec 18th 2003 | BAGHDAD
From The Economist print edition

AFP

The tyrant's arrest should make nation-building easier. But perhaps not much

Get article background

AT A garage on the outskirts of Basra, peasants forgot the petrol queues and greeted the news of Saddam Hussein's capture with hugs and celebratory blasts of gunfire. In the city centre, greying communists threw candies through car windows. Students danced into the night. But hospitals reported fewer casualties than after the euphoric gun-pumping that followed the killing of Saddam's sons, Uday and Qusay, in July.

Why? Firstly, because Saddam Hussein is still alive. Iraq remains a vindictive place, and most would prefer him dead. “We are Muslims, we believe in the death penalty,” said Wael Abdel Latif, governor of Basra and a representative on the 25-member Governing Council. Others in his entourage wanted Mr Hussein hacked into tiny pieces, one for each of the Iraqis he had killed. “Saddam Hussein has left every family grieving for a relative who has disappeared or been crippled by torture,” said Said Hassanein, who runs the Basra mosque, from where the 1991 uprising against Mr Hussein began. “Death for the tyrant is the least of our demands.”

Secondly, since Iraq's media are freer these days, Iraqis can express themselves in other ways besides shooting bullets into the air. In Basra and Kurdistan, where there are now mobile-phone networks, many shot off text messages instead. With satellite television now widely available, many Iraqis chose to stay indoors and watch their bearded ex-despot being de-loused. Indeed, in a region rooted in the traditions of “occultation”—many believe that Jesus and the Shias' 12th imam have disappeared for a while, but will return—the rolling footage played a vital part in convincing doubters that Mr Hussein was actually in American hands.

Some Iraqis felt that the sight of Saddam looking so unkempt and submissive made those who had cowered in his shadow seem slightly pathetic, too. The tyrant who once had more palaces than some of his subjects owned chickens was found in a pit under a farmstead south-east of his hometown of Auja. American soldiers showed visiting reporters his underwear, the Bounty bars he snacked on, and the homemade sausages strung on the walls of his hut. “Were we really frightened of this?”, Iraqis asked.

After headlines dominated by rebel attacks, Saddam's capture has lifted coalition morale. Coalition leaders said they expected that the sight of the tyrant having his gums examined would reassure nervous

Iraqis that he was not coming back, and so persuade them that it was safe to co-operate with the occupiers' nation-building plans.

The opposite is also possible, however. Many Iraqis threw in their lot with the coalition precisely because the Americans were carrying out the dangerous task of uprooting the remnants of the old regime. With Mr Hussein in custody, some may feel that the task is over, and that it is now time to throw out the Americans, too. Shias in the south, many of whom now look to ayatollahs for guidance, may feel emboldened to join the resistance.

Many Iraqi nationalists feel shamed that Mr Hussein was laid low, not by Iraqis, but by foreigners. “Had we done it [ourselves], we would have celebrated like Georgians, but instead it was all done by foreigners,” said Abu Haider, a Basra-based merchant whose land was confiscated by Mr Hussein.

It's not over yet

After hailing Mr Hussein's capture, George Bush said it would not necessarily lead to a reduction in attacks on American troops, nearly 200 of whom have died in combat since May. In the days that followed the capture, several bombs exploded in Baghdad, including one on December 17th that killed 17 people, say Iraqi police. This was not wholly unexpected—after Uday and Qusay were cornered and killed in Mosul, the violence in northern Iraq increased.

Coalition spokesmen in Baghdad continue to divide their violent opponents into two camps: former regime loyalists and itinerant *jihadi*s. With Saddam Hussein behind bars and all but 14 of the 55 thugs featured on America's “deck of cards” killed or in custody, they say that the former are severely weakened. Officers of the unit that seized Mr Hussein said they had found documents in his briefcase containing the names of senior former Baathists who are apparently financing resistance cells in Baghdad. In the days that followed, American troops captured or killed dozens of suspected insurgents near the capital and in the town of Samarra.

Other officers speak of Mr Hussein as a symbol of the resistance, rather than its operational commander. He was captured, they note, with no communications equipment and only two guards. His sons apparently filched $1 billion from the central bank on the eve of Baghdad's fall. Mr Hussein was carrying only $750,000. No one knows where the rest is, or who controls it.

The Americans' top target in Iraq is now Mr Hussein's former vice-president, Ezzat Ibrahim, who they suspect of being the nexus between the Baath and the *jihadi*s. Certainly, Mr Ibrahim has long-standing links with Sunni extremists, but he is stricken with cancer, and the manner of his master's capture may well have undermined any Baathist claim to resistance leadership. *Jihadi*s are not impressed that the man who egged so many others to enter paradise surrendered without a shot.

All the same, Sunnis and Baathists who were once violent foes now have common cause. The areas where both predominate—the so-called Sunni triangle—are virtually unrepresented in Iraq's Interim Governing Council. Their hatred of American domination is matched by their fear that with Saddam gone, the Shia majority will grab all the power.

In and around the town of Tikrit, people remain fervently loyal to the man they still refer to as “the president, may God Preserve Him”. Some blame Jamal, the husband of Saddam Hussein's daughter, Hala, for betraying him to the Americans, and claim to have killed the traitor the following morning. Mr Hussein treated his home town rather better than the rest of the country: electricity was never cut, and Tikriti farms were always well irrigated.

Now the tables have turned in Tikrit. Houses are dark at night, petrol queues snake over the horizon, rations are short and most of the local breadwinners, who held senior positions in the security forces, intelligence and the Baath party, are jobless. At a gathering of notables after evening prayers, the faithful vow to fast from dawn to dusk until Mr Hussein is released. A local teacher says he refuses to use the new syllabus, from which the sayings of Mr Hussein have been cut, and encourages his pupils to wave placards showing Mr Hussein's face, and to stone American troops.

Mr Hussein has little chance of escaping justice (see article), but he may believe he can strike a bargain by revealing what he has done with his weapons of mass destruction, if he still has any. He may have had this in mind when he emerged from his hole with the words: “I'm the president of Iraq. And I'm willing to negotiate.” Then again, he may just have been anxious to avoid being shot.

Some officials of the American-led Coalition Provisional Authority (CPA) have already begun playing down expectations of what Mr Hussein might reveal. His mental condition has suffered from his months underground, they say, and he may be incapable of remembering the last known whereabouts of the weapons. Others emphasize that American law does not allow for the forceful methods of extracting information that some governments in the region use.

Iraq's Governing Council is braying for a trial in weeks, not months, and seeking assurances that Iraqis will finally determine the fate of their rulers. Drawing up a charge-sheet for a lifetime of crimes could take longer than this, but when the trial eventually gets under way, it could cause consternation in several Arab states. Those who for years dealt closely with Mr Hussein's regime might be embarrassed by courtroom revelations. So might his western trading partners. Moreover, the spectacle of an Arab court putting an Arab leader on trial would send shivers down the necks of Mr Hussein's regional counterparts. What if their own citizens copied Iraq's example?

For Iraqis, putting Saddam on trial may prove cathartic, but it will not turn on the lights. Under Anglo-American rule, many aspects of everyday life are getting worse. For all the talk of reconstruction, such basics as petrol, electricity, security, medicines and food remain in short supply.

The economic situation could improve: Germany and France promised America this week that they would forgive some of Iraq's foreign debt, which should help. But after a generation of centralised tyranny and sanctions, Iraqis are deeply dependent on the state to deliver. Many, perhaps the majority, are still ready to give the coalition the benefit of the doubt. But a large number firmly believe they could do the job better. With luck, they will find out quite soon.

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Justice for Saddam Hussein

Got him, but what now?

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Options for bringing the former Iraqi leader to account

Get article background

SO THEY have finally “got him”. But the hardest part may yet be to come. Having captured Saddam Hussein alive, the American-led Coalition Provisional Authority (CPA) in Iraq must decide what to do with him. President George Bush, the former governor of the American state that carries out the most executions, seems already to have made up his mind. He favours the “ultimate penalty” for “the guy who tried to kill my Dad”. But, he says, he also wants “justice”. What form that will take has yet to be decided.

AP

One of the many

There are not many useful historical or legal precedents for how to dispose of such a brutal tyrant. Mussolini was strung up by Italian partisans. Hitler shot himself. Stalin (supposedly) died of a stroke. Pol Pot ran off into the jungle. Romania's Nicolae Ceausescu was dragged out and shot after a (very) summary trial. Japan's Emperor Hirohito, it is true, was not only spared prosecution for war crimes during the second world war, but was even allowed to keep his job, albeit as a constitutional monarch with virtually no power. But this was because the Americans felt that preserving the imperial system would provide a veneer of continuity while they turned Japan into a democratic state.

Although many of Mr Hussein's victims would doubtless not be averse to a Ceausescu-type solution for their oppressor, none of these options is really suitable. Most people, including the Americans and the Iraqi Governing Council, seem to accept that, however much Iraqis may thirst for prompt vengeance, it would be much better if Mr Hussein were given a fair, public trial, in accordance with international legal norms. Regardless of the scale of Mr Hussein's crimes (see article), they agree that justice must not only be done, but must also be seen to be done.

Iraqis are adamant that they, as the largest group of his victims, now have the right to try their tyrant in their own country. The perfect forum, they suggest, would be the newly announced Iraqi special tribunal for crimes against humanity, manned entirely by Iraqi judges, which is being set up by the American-appointed Governing Council in co-operation with the American-led CPA. But Iraq has few judges with experience of international humanitarian law, and fewer still who would seem impartial, as most have either suffered under, or served, Mr Hussein.

Proceedings before such an American-backed Iraqi court would look like “victors' justice”, say groups

such as Human Rights Watch. They would rather Mr Hussein was tried before a UN-backed international court, presided over by a mixture of local and international judges, of the kind set up in Sierra Leone and Cambodia.

Given both the Americans' and the Iraqis' antipathy toward an international court of any kind to try Mr Hussein and his henchmen, the most likely solution seems to be the planned Iraqi special tribunal, or some amended version of it. Although its original plans were criticised by the UN, Britain and human-rights groups for failing to meet international humanitarian standards, some improvements have now been made. Non-Iraqis are now to be allowed to sit as trial judges, for example, though only if the Governing Council “deems [it] necessary”. Non-Iraqis are still not permitted to serve as court investigators or prosecutors, though they may act in an advisory capacity.

The rights of defendants have also been strengthened. But there is still no requirement that the guilt of the accused should be established beyond reasonable doubt. The habeas corpus safeguards are still regarded as inadequate. And there is no explicit ban on the use of capital punishment. Although the death penalty has been suspended by the CPA at British insistence, leading Iraqis have made clear that they intend to re-instate it as soon as sovereignty is transferred to a new Iraqi transitional government in July.

This could cause difficulties for Britain, America's chief ally in the CPA and an opponent of the death penalty. The UN and the European Union are also both strongly opposed. Mr Bush has no such qualms. So far, Mr Blair has sought to get round the issue by saying that he would “respect the wishes of the Iraqi people”. The UN is pursuing discussions with the Americans and the Iraqis on the matter.

Meanwhile, Mr Hussein is still being held by the Americans at an unknown place, probably somewhere in Iraq. Although his captors say they will treat him as though he were a prisoner-of-war under the Geneva Conventions, his privileges clearly do not extend to a normal POW's right to refuse to reveal anything but his name, age, rank and army number. American intelligence officers hope to pump the former Iraqi dictator dry.

So far, Mr Hussein has apparently proved unco-operative. Mr Bush has promised that torture will not be used. But “softer” methods, such as sleep deprivation and keeping the toppled tyrant standing for hours on end, could be applied. It may be several months before the Americans are ready to hand Mr Hussein over to the Iraqis for trial.

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Saddam's alleged crimes

Catalogue of evil

Dec 18th 2003
From The Economist print edition

Some of what he may be tried for

Get article background

•**Iran-Iraq war 1980-88**: use of chemical weapons and other war crimes, including the summary execution of thousands of Iranian prisoners-of-war.

•**The "Anfal" campaign against Iraqi Kurds** in 1988, during which poison gas was used on cities. Some 100,000 civilians were killed, more than 4,000 villages were destroyed and nearly 1m people were displaced.

•**Kuwait war 1990-91**: crimes against humanity and war crimes.

•**Massacre of some 30,000 Kurds and Shia Muslims** in northern and southern Iraq, who rebelled after Saddam was expelled from Kuwait.

•**Persecution of the Marsh Arabs** in southern Iraq, including mass killings, expulsions, and the draining and poisoning of the marshes.

•**Ethnic cleansing** of "Persians" and other non-Arabs in northern Iraq.

•**Unlawful killings, imprisonment, torture, rape, beatings, forced displacement and "disappearances"**. In all, an estimated 300,000 suspected political opponents were slaughtered during Saddam Hussein's 24 years in power. This does not include the much larger number who died as a result of his invasions of Iran and Kuwait.

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Iran and America

Neighbours, now

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Are the two old enemies cutting a deal?

WHEN two people each have something the other wants, they can usually work out a swap. Not so those old enemies, America and Iran, it seems. Or does it? Iran holds scores, perhaps hundreds, of fugitive al-Qaeda operatives whom America and its allies would dearly like to talk to. Since they are thought to include several top figures, their surrender might prove the biggest intelligence coup to date in America's war on terror. American forces in Iraq, meanwhile, hold some 3,800 pesky anti-Iranian rebels. The Mujahedin-e-Khalq Organisation, or MKO, has run a 22-year guerrilla campaign against the Islamic Republic, whose rulers would love to see it disbanded.

The trouble is that Iran and America have something else in common, namely, leaderships split between ideologues and pragmatists. Their internal quarrels, as much as old hostilities, have so far precluded a mutually beneficial exchange.

Pentagon hardliners are loth to surrender the MKO guerrillas who, after years of being armed and sheltered by Saddam Hussein, now languish in an American-guarded camp north-east of Baghdad. They think the group could serve as a useful intelligence-gathering tool, or perhaps even as a lever to promote a change of regime in Iran. The hard men in Iran's shadowy security services, for their part, share a world view coloured not only by historical animosity towards America, but also by the alarming sight of an American army on their borders. They see the al-Qaeda bigwigs in Iran as a bargaining chip not to be given up too cheaply.

Yet, to the many in Iran who would like better relations with the West, evidence that al-Qaeda has used Iran as a refuge, as a transit route, and perhaps even as a staging post for attacks, is a dangerous embarrassment. Similarly, some in Washington find association with a murderous group like MKO extremely distasteful.

Both countries flatly deny that any deal is in the offing. Yet hints of an emerging compromise can be detected. Last week, Iran's soft-spoken president, Muhammad Khatami, said he would be willing to extradite some 130 al-Qaeda suspects to their countries of origin, though he revealed neither the rank of those he had in mind, nor their possible destinations.

Last year, Iran handed over dozens of low-level “Arab Afghans” to Saudi Arabia and Egypt. The haul this time might include men believed to be al-Qaeda's chiefs of military planning, finance and public relations, as well as Osama bin Laden's eldest son, Saad. America already claims to have captured two-thirds of al-Qaeda's leaders, so this could cripple the group.

Jordan, Egypt and Saudi Arabia have long pressed Iran to surrender all of their nationals who are suspected of terrorism. Jordan and Egypt's leaders recently met Mr Khatami, their first meetings with an Iranian head of state since the revolution of 1979. All three countries share intelligence with America.

At the same time as Mr Khatami made his offer, the Governing Council in Iraq issued an order to expel the MKO from Iraqi territory by the end of December. (Where to, was not clear.) Such a move would require America's blessing, which has not yet been openly given. But a flurry of lobbying by MKO supporters in Washington suggests that they, at least, are taking seriously the possibility that the group will be de-clawed. American officials now say that most MKO leaders have already left Iraq, and Iraqi officials say that Iran has promised leniency to “foot soldiers” who go home.

Such a compromise would leave other prickly issues unresolved, such as Iran's support for other groups America deems terrorist. It would mesh, however, with a recent trend towards quiet co-operation. Iran's

abrupt acquiescence to demands that it make its nuclear plans more transparent is a case in point, as is its surprisingly warm endorsement of Iraq's transitional government. America has made gestures, too. Its forces recently released some 41 Iranians arrested in Iraq as suspected infiltrators.

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South African politics

Africa's erratic statesman

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Thabo Mbeki's odd views irk his allies

Reuters

Why can't people see things Mbeki's way?

HE IS without question the most important man in sub-Saharan Africa and, in many respects, a good leader. Thabo Mbeki, South Africa's president, is plainly a serious, honest fellow. At home, he has guided painful but necessary economic reforms. Abroad, he has acted decisively in some places, daring to send 3,000 soldiers to try to bring peace to Burundi and Congo, and taking part in pan-African efforts to snuff out a coup in São Tomé and to persuade Liberia's dictator, Charles Taylor, to step down. His grand plan to revive Africa, the New Partnership for Africa's Development (Nepad), is based on sound democratic and economic ideas. Mr Mbeki could expect to be widely feted. Instead he is losing friends fast. Why?

One reason is a seemingly endless row about how to tackle Zimbabwe's despot, Robert Mugabe. Mr Mbeki favours soft handling. Most rich nations, who Mr Mbeki is hoping will bankroll Nepad, favour a firmer line. So do many Africans. Mr Mbeki was furious when the (formerly British) Commonwealth refused to re-admit Zimbabwe at a meeting this month in Nigeria, and penned a bizarre letter on the plane home. Published on December 12th, it would not look out of place in one of Mr Mugabe's tame newspapers.

The presidential elections that Mr Mugabe blatantly rigged in 2002 were actually “free and fair”, says Mr Mbeki. Today's “negative developments” in Zimbabwe are the fault of domestic division, not of its rulers, he believes. He repeats the canard that since Britain failed to pay for Zimbabwe's land reform earlier, “a forcible process of land redistribution perhaps became inevitable”. As for Nigeria, Ghana, Kenya, Botswana and others that favour tougher handling of Mr Mugabe: “Some Africans have turned things upside down,” he says. Mr Mbeki's spokesman announced that Mr Mbeki would visit Zimbabwe this week, to engage with Mr Mugabe rather than throwing stones from the sidelines.

Once-close allies, especially Britain and Nigeria, are dumbfounded. Britain's prime minister, Tony Blair, who has supported Nepad since its inception, is said to be losing his enthusiasm for Mr Mbeki. This squabble should blow over, but there are other worrying signs of the South African president's waywardness.

His disbelief that anti-retroviral drugs can help treat AIDS long delayed a decision to give such drugs, free, to HIV-infected South Africans. That policy is finally in place, but evidently without Mr Mbeki's support. On world AIDS day this month—as every year—he was icily silent, leaving it to Nelson Mandela to speak out. Bill Clinton, the former American president who helped fashion South Africa's new AIDS policy, concedes that Mr Mbeki has been slow to lead. Roughly 5m South Africans, 11% of the population, are infected with HIV. Yet Mr Mbeki claims he knows nobody who has died of it. In a recent private conversation he expressed more concern about the cost of providing drugs than the lives they will save.

Domestically, Mr Mbeki is attracting brickbats for his handling of a corruption scandal allegedly involving his deputy president, Jacob Zuma. South Africa's top anti-graft official, Bulelani Ngcuka, says there is a prima facie case to show that Mr Zuma sought a bribe from a foreign arms company. Mr Mbeki says that Mr Zuma is innocent until proven guilty, and has ignored calls to sack him.

Meanwhile, he ordered an inquiry into allegations, first made by two ruling-party politicians under

investigation for graft, that Mr Ngcuka used to be an apartheid spy. No evidence against Mr Ngcuka was found. Mr Mbeki is thought to have known that Mr Ngcuka was innocent, but said nothing to defend him. Now Mr Ngcuka says he is thinking of quitting.

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Zimbabwe's awful tractor shortage

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AFP

Robert Mugabe's tractor grab

To rectify an ancient wrong, President Robert Mugabe has overseen the seizure of nearly all the white-owned farms in Zimbabwe. But the farms' new black owners, several of them cabinet ministers, have raised few crops. The trouble is, Mr Mugabe didn't confiscate the white farmers' tractors, as he could hardly argue that these had been stolen from black Zimbabweans' ancestors. This week, he realised his mistake, and decided that all farm equipment not being used for farming would be seized. Landless white farmers have been selfishly storing their tractors in warehouses. But not for long. Hungry Zimbabweans must be relieved.

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European Union

Who killed the constitution?

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Reuters

And what happens to the beast now?

Get article background

ON DECEMBER 12th European leaders sat down to lunch expecting to thrash out final details of a constitution for the European Union. But the Italian prime minister, Silvio Berlusconi, who was in the chair, had other ideas. “Let's talk about football and women instead. I know a lot about women, I've even featured in the pages of *Playboy*, but I know there are other people around this table who know even more,” he said. Turning jovially to the German chancellor, Mr Berlusconi remarked: “Gerhard, you have had four wives—what can you tell us about women?” Neither Mr Schröder nor any of the women at the table was amused. It was an inauspicious opening. A day later Mr Berlusconi reported to a reconvened group that the talks had failed.

In the intervening 24 hours the Italian prime minister had held a string of bilateral meetings. The main argument was over how many votes each country should have when the EU makes laws. The draft constitution proposes a “double majority”, under which a law needs the support of a majority of countries, representing 60% of the EU's population. This was firmly backed by France and, especially, Germany, which has the largest population of all. But Poland and Spain insisted on sticking to a voting system agreed in Nice three years ago that gives each of them almost as many votes as Germany, despite having only about half as many people. Tempting as it is to blame the breakdown chiefly on Mr Berlusconi's eccentric chairmanship, there might not have been any deal in reach.

The simplest explanation for the failure of the talks is that the parties had become too entrenched. But the truth is a bit more complex. Officials close to the negotiations insist that Spain and Germany were ready to compromise. Even the famously intransigent Poles hinted that they might accept the idea that the “double majority” should be introduced in 2014. It was President Jacques Chirac of France who was the most unyielding. “The French did not come here to negotiate,” was the conclusion of one European leader.

Why were the French ready to let the talks fail? One answer may be that they are increasingly disillusioned by the soon-to-be enlarged EU of 25 countries and are drawn instead to the idea of a “core Europe”, in which a small group of countries, led naturally by France and Germany, press ahead with

deeper integration. The French were particularly shocked by the temerity of new members such as Poland lining up with America in the run-up to the Iraq war. The collapse of the constitutional talks may allow the French to insist that an enlarged EU will be unworkable, so that a core Europe is needed.

As a clincher, the French had their own reservations about the draft constitution. Three years ago Mr Chirac had insisted in Nice that it was vital that France and Germany retain the same number of votes. Adopting the double majority would mean abandoning that principle. And Mr Chirac has been facing pressure, including from his own prime minister, to hold a referendum on the new constitution.

What happens next? There are three broad possibilities. The first is that the talks are revived and a compromise deal on the constitution is reached. The second is that a hard core of countries will break away, perhaps outside the established structures of the EU, to form an inner group committed to "political union". The third is that efforts either to revive the constitution or to form an inner core both fail, leaving the EU to stumble along in an atmosphere of increasing acrimony.

Irish mist

In the immediate aftermath of the talks, few were putting money on a quick revival of negotiations. The Irish, who will preside over the EU for the next six months, are not planning to plunge straight back in. They will take soundings in the coming weeks and report to another summit in March. But the chances of the Irish securing a deal by June could be better than some now think. If Poland, Spain and Germany were prepared to make concessions in Brussels, the basis for a deal could be found. British opposition appears to have been ended by Mr Berlusconi's announcement that he had accepted Tony Blair's demands that all aspects of EU foreign policy, tax and social-security policy should remain subject to national vetoes.

Yet these concessions to Britain will harden opposition in France, and they have also enraged federalists. Spain's elections in March will not help; ditto the European elections in June, after which the Dutch take over the presidency. Further ahead, the calendar gets worse. By the end of 2004, the EU will be deep in negotiations on its next multi-annual budget, a perennial source of acrimony. The Germans have already threatened to punish Spain and Poland by playing hard-ball on regional spending. Just after the summit, Germany and five other net contributors, including France and Britain, issued a letter calling for the EU to limit spending to 1% of GDP. By the end of 2004, the EU is also due to say if it intends to open negotiations with Turkey over eventual membership, an issue that is bound to be bitterly controversial. As if all that is not enough, in 2005 there may be a British election (with a British EU presidency to follow).

So much the better, respond those pushing for a core Europe. Enthusiasts for this idea have been emboldened by the Brussels failure. But the political and legal obstacles look formidable. Most plans for a core Europe are based around the six founder members: Germany, France, Italy, the Netherlands, Belgium and Luxembourg. But the Italian government has made clear that it is not interested in joining a new inner core; and the Dutch were on the pro-American side of the debate over Iraq and are angry with the French and Germans for trashing the stability-pact rules restricting budget deficits in the single-currency zone. Even the Germans may hesitate about a core Europe that appears to set its face against Poland. Cooler heads in Berlin know that a lasting rapprochement with Poland must be in Germany's strategic and economic interest.

It is also hard to see exactly where a pioneer group could forge ahead. The euro area embraces 12 countries, and all new EU members are in theory obliged to join. Could there be deeper economic co-operation or tax harmonisation without such big euro economies as Italy and Spain? Closer co-operation on foreign policy and defence is also tricky. The French and Germans often say that European defence co-operation would be meaningless without the British, and Britain has signed up to the latest efforts to create an EU military-planning cell. But a defence arrangement that includes Britain, which is in neither the single currency nor the EU's border-free Schengen area, could hardly be the core of a political union.

Finally, there is a legal problem. The Nice treaty allows groups of countries to forge ahead in specific policy areas—a process called "enhanced co-operation"—but only if there are at least eight of them and they first secure the agreement of all other EU countries. In today's poisoned political atmosphere, that would be hard. That might mean that any pioneer group has to evolve outside the present EU structures. Far from furthering the cause of European unity, a pioneer group could in that case simply split the EU.

A prolonged period of political wrangling now seems inevitable. And that might worsen the EU's most

worrisome problem: its increasing unpopularity. This month the European Commission's own opinion polls showed that less than half of EU citizens (48%) agreed that their country's membership was a good thing, the lowest level ever recorded. Even the euro, although strong on the foreign exchanges, is losing its appeal. Another poll this week showed that only 52% of users of the single currency consider it “advantageous overall”, down from 59% in September 2002. It does not look like being a very happy new year for the European Union.

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Northern Cyprus

A glimmer of hope

Dec 18th 2003 | ANKARA AND NICOSIA
From The Economist print edition

An inconclusive election may yet boost hopes of unification

AP

Denktash dissed

ON DECEMBER 14th, some 120,000 Turkish Cypriots voted in parliamentary elections which, it had been hoped, would push forward plans to unite the divided Mediterranean island and allow the Turkish and Greek parts to join the European Union together next May. The vote was also expected to affect Turkey's own chances of one day joining the EU. In the event, a block of opposition parties favouring the UN plan for a loose federation of largely autonomous Greek and Turkish states tied with the two ruling nationalist groups that oppose it. The result: a hung parliament, with both sides getting an equal number of seats in the 50-strong chamber. They must agree to form some kind of coalition within the next two months, or face fresh elections.

A firm opposition victory would have strengthened the hand of Tayyip Erdogan, Turkey's reformist prime minister, who, at least tacitly, backs the UN plan. But he still faces fierce resistance from hardline generals, for whom the Turkish north of Cyprus (where they station some 35,000 troops) remains a strategic foothold in the Mediterranean. The generals would be prepared to let go of it, says the country's chief of general staff, Hilmi Ozkok, only if Turkey were allowed into the EU. European leaders counter that the Turks need to fix Cyprus before they can even have a date to start membership talks.

It sounds like Catch-22. But several things suggest that the inconclusive result may not have doomed the chances of a settlement. It was a setback for Rauf Denktash, the stubborn Turkish Cypriot leader who has long been blamed for the failure of three decades of UN peace talks. Mr Denktash has now hinted that he might withdraw and let a new government bargain for Turkish Cypriots.

Another hopeful sign is that Mehmet Ali Talat, the former engineer who leads the main opposition group, the Republican Turkish Party, may be ready to join a coalition with one of the right-wing groups. A deal endorsed by both sides would be easier to sell both to doubting islanders and to Mr Erdogan's nationalist supporters in Turkey. The Turkish foreign minister, Abdullah Gul, plans to unveil new proposals on Cyprus next week.

Meanwhile, in a landmark concession, the Turks have agreed to pay a Greek-Cypriot refugee, Titana Loizidou, €1.1m ($1.3m) awarded in 1998 by the European Court of Human Rights when it upheld her claim that Turkey had obstructed access to her home by its occupation of the north. The Turks succeeded in deferring restitution of Mrs Loizidou's property near Kyrenia until 2005. But unless a deal is struck and the UN plan kicks in, Turkey may have to pay out millions more in similar cases.

Time is running short. EU leaders have made clear that the Greek Cypriots will be admitted, together with nine other new members, next May even without a peace deal, leaving both the Turkish Cypriots and Turkey out in the cold. Turkey would then become, in effect, an occupation force in part of a member state. Once they are in the EU, the Greek Cypriots would have less incentive to accept the UN peace plan, which gives Turkish Cypriots unprecedented rights—among them, letting half the island's 70,000-odd Turkish settlers stay on and become EU citizens. No wonder so many of them voted, for the first time, for the opposition.

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German reforms

Sick man walking

Dec 18th 2003 | BERLIN
From The Economist print edition

Germany needs a lot more reforms than those in this week's modest deal

THEY may no longer lead in most areas, but Germans are world class in one: seeing the glass as half-empty, not half-full. In the small hours of December 15th, the Social Democrat-led government and the Christian Democratic opposition at last agreed to reforms (the so-called Agenda 2010) that may be the most ambitious seen in post-war Germany. Yet the media were full of phrases such as “reformlet”, “half-baked” and “a small step”.

Germany's leaders could have done better. They cut the cost of tax cuts next year to €15 billion ($18 billion), down from €22.3 billion, because the opposition insisted that only part should be financed by new debt. The Christian Democrats also did not want to slash subsidies too radically. Instead, a chunk of the tax cuts will be financed by loans against future privatisations. Because asset sales are one-off, that will make it harder for Germany to get below the ceiling on borrowing in 2005 set by the euro area's stability pact.

The labour-market reforms, on the other hand, came out of the negotiations somewhat strengthened, although the government fought off opposition pressure to permit more exceptions to industry-wide wage agreements. Strict rules against firing will be dropped for new hires in companies with up to ten employees, and not merely five, as the government had proposed. The long-term unemployed will have to accept jobs that pay less than union wages, or lose their benefits. It is this part of the deal that a number of Social Democrats may refuse to back when it comes to a final vote in parliament on December 19th (although, with opposition support, the deal is sure to go through).

Taken together, however, the revised Agenda 2010 reforms are unlikely to give Germany's economy much of a boost in the short term—which is bad news for the chancellor, Gerhard Schröder. His political fortunes depend greatly on getting higher growth (predicted to be a meagre 1.5-1.7% next year) and lower unemployment (currently 4.4m, or 10.5% of the workforce). If he fails, his government risks remaining in a state of perpetual crisis until the next general election in 2006, which it may well lose: lower tax revenues, higher budget deficits, dismal state election results.

Mr Schröder seems to sense that he must do more than just wait for things to get better. He has called the reform deal nothing more than a “stopover” and vowed to start an “innovation offensive” next year, albeit without providing any details. What needs innovation most is Germany's hellishly complicated tax system, as well as the country's unsustainable health-care finances. Only more far-reaching reforms can justify the government's favoured catchphrase of the moment: “Germany is on the move.”

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Greek terrorism

Olympian judgment

Dec 18th 2003 | ATHENS
From The Economist print edition

Stiff sentences are handed down, but terrorism still threatens

EPA

A November 17 shrine

GEORGE FLORIDES, Greece's public-order minister, would like to believe that this week's sentencing of 15 members of November 17, a leftist extremist group, will make Greece terrorist-free. A special court handed out multiple life terms to the group's leaders, among them Alexandros Yotopoulos, the Sorbonne-educated revolutionary who chose targets for assassination (mostly western diplomats, American military men, and prominent Greek business families), and Dimitris Koufodinas, a bee-keeper who carried out many of the killings. The other 13 got sentences ranging from eight years to life. Four more, including Mr Koufodinas's wife, were acquitted for lack of evidence, but both she and Yiannis Serifis, a radical labour leader, face a retrial if the prosecutor's request for one is granted.

The sentences take some heat off the government, which had been under pressure from the Americans to make an example of November 17. But the nine-month trial was not exemplary in the eyes of western jurists. Some victims' relatives have made clear that they are dissatisfied with Greek justice. In the cases of Richard Welch, the CIA station chief who was the group's first target in 1975, and George Tsantes, an American military attaché shot in 1983, none of the group faced charges, because a 20-year statute of limitations had expired. The Americans, not bound by the statute, are unlikely to seek the extradition of convicted November 17 members.

Awkward questions remain. Mr Florides has said more arrests may be in the offing. Such candour surprised police officers from Britain who helped to investigate the group's most recent murder, of Brigadier Stephen Saunders, military attaché at the British embassy in Athens, in 2000 and take some credit for uncovering November 17, after a botched bomb attack in 2002 wounded the perpetrator and led him to finger accomplices.

More than 80% of Greeks, according to one recent poll, believe that several members of November 17 are still at large. Meanwhile, small-scale bombings of parked cars and company offices, which have so far caused few casualties, continue to embarrass the government. With the summer Olympics due to take place in Athens next August, advance teams of American security experts have begun to arrive. Even low-level terrorist incidents cannot be overlooked.

According to counter-terrorism experts in London and Washington, November 17 itself is unlikely to regroup by next August. But Mr Florides cannot relax. The recent bombings in Istanbul underline how close Athens is to places where al-Qaeda franchisees operate. Greece's northern and eastern borders are criss-crossed with tracks used by illegal immigrants. Its own Muslim minority in Thrace, close to Turkey and Bulgaria, could provide hide-outs for extremists. No wonder Mr Florides has banned both police and employees of the public-order ministry from going on holiday next summer.

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Bosnia

Glad tidings

Dec 18th 2003 | BANJA LUKA AND SARAJEVO
From The Economist print edition

Some hopeful news from the Balkans

THE people of Bosnia must be among the gloomiest in Europe. Polls show that two-thirds of the young want to emigrate; three-quarters think that the economy is going downhill; politicians are widely considered to be corrupt; and political apathy is at an all-time high. Some 20% of Bosnians are below the poverty line, and another 30% are only just above. The official unemployment rate is running at almost 40%.

And yet for all the surface gloom, the underlying picture is surprisingly good. Walk around Sarajevo, Bosnia's capital, or Banja Luka, capital of the Serb republic, and the streets are bustling. One reason, according to Dirk Reinermann, the World Bank's representative in Sarajevo, is that, by the Bank's reckoning, only 16% of Bosnians have no work at all. Mr Reinermann adds that he knows of no other post-war country where GDP has recovered to 80% of what it was before the war within eight years. Most infrastructure has been rebuilt. And only 400,000 of the 2.2m-odd refugees and displaced people (out of a total population of 4m) are said to be still waiting to go home.

Naturally there is much left to do—not least the capture of such suspected war criminals as Radovan Karadzic, still believed to be at large in the Serb republic. But in November the European Commission accepted that the country had made significant progress towards European Union accession. It set 16 conditions that Bosnia must fulfil by the end of June 2004 before the next step, which is to start negotiations to draw up a “stability and association agreement”.

One of those conditions is more effective government. Under the Dayton accord that ended the war in Bosnia in 1995, the country was given more government than almost anywhere else. It has 14 often competing and overlapping administrations, including a weak central government and a complete administration apiece for the Serb republic and the Croat-Bosniak (as Bosnian Muslims are now known) federation. In the north, the contested town of Brcko is an autonomous district under international “supervison”.

Yet in response to voters' gloom, politicians have come to realise that jobs and money matter more than flags. On this basis, the sooner they streamline the country's government, the faster they can move towards the EU and other western clubs that they want to join, such as NATO. And, largely unnoticed by a world that watched agog as Sarajevo burned and tales emerged of gruesome massacres such as the killing of some 8,000 Bosniak men in Srebrenica in 1995, once unimaginable reforms have begun. This month Bosnians agreed to unify the command structures of their different armies. Next year the central Bosnian state, as opposed to its two main entities, will begin collecting customs duties and preparing to do the same for value-added tax from 2006. More policemen are to move under central control.

According to Senad Slatina, an analyst with the International Crisis Group, a think-tank, nobody is yet talking seriously of doing away with Bosnia's two component parts. This would be politically impossible, especially for the Serbs. But a process has begun that will drain some of their powers towards a stronger centre, making Bosnia a more normal country.

In a debate on defence reform in Banja Luka, Dragan Cavic, president of the Serb republic's parliament, thundered that deputies had better vote in favour as “we don't want to stand as an obstacle on the road

to Europe, because otherwise someone might just push us off the road." On the other side, Haris Silajdzic, Bosnia's wartime foreign (and later prime) minister and still a leading Bosniak politician, says that change is coming, but that it is too slow for his taste. Yet it is better late than never.

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Refugees in Bosnia

Coming home

Dec 18th 2003 | DRVAR AND KOZARAC
From The Economist print edition

Those driven out by war return

WALK around the small Bosnian towns of Drvar and Kozarac and you would be hard put to imagine the terrible cataclysms that they have been put through over the past 11 years. For today these two little places symbolise a change that few outsiders have woken up to: they are once again full of their own people.

In the summer of 1992 Bosnian Serb forces drove out the entire Bosniak (Bosnian Muslim) population of Kozarac, and then proceeded to destroy every single house. The war ended in 1995, yet until 1999 the town was still empty and in ruins. Kozarac is deep inside the Serb republic and the authorities did everything they could to stop the Bosniaks returning.

In 1999, however, through a combination of the determination of the people and international pressure, the return began. Now 10,000 Bosniaks, half the original number, are back, and some 90% of the houses have been rebuilt. As elsewhere in Bosnia, 90% of claims by lawful owners to get their property back have been settled. The Bosniaks have come back because they feel legally and physically secure.

It is a similar story in Drvar. Until 1995, the population was 98% Serb. Then most of the locals were driven out by Bosnian-Croat and Croatian troops. In a bid to create a buffer zone along the border with Croatia, thousands of Bosnian-Croat refugees were installed in Drvar. The peace agreement of 1995 left the town inside the Croat-Bosniak Federation. Yet now, according to Mile Marceta, a leader of the Serb returnees, barely 800 Bosnian Croats remain, and no fewer than 8,000 Serbs have come back.

Across Bosnia the number of returnees has been remarkably high in the past few years. Not all go back to where they originally came from. Also, with few of the “other” ethnic group still around, the Bosniaks and the Serbs feel a certain safety in numbers in such places as Drvar and Kozarac. Some believe that the numbers of returnees to areas controlled by the “other” group is tolerated only because not enough are coming back to reverse wholesale the ethnic cleansing of the war. And younger people are less likely to go back than older folk. Even so, legal changes across the country have given minorities more protection and more say in local governments, wherever they live.

One thing that is noticeable is that the number of returnees is now tailing off, not because of ethnic tensions but because there is not enough work. Yet for Bosnia it must be a positive sign when jobs, not guns, become people's biggest concern.

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Award: Bill Emmott

Dec 18th 2003
From The Economist print edition

The editor of *The Economist*, Bill Emmott, has been chosen by a jury of senior Italian journalists as this year's "*È giornalismo"* ("This is journalism") prize winner. This is the first time a foreigner has been awarded this prize, which is in its ninth year.

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Childhood

The nanny state

Dec 18th 2003
From The Economist print edition

How to save children from bad parents: Britain's drift to neo-paternalism

BY THE time they get to school, it's too late. The realisation that neglectful parenting in a child's earliest years can ruin its chances for life is shaping a new, expensive and interventionist approach to families in Britain. The government has increased spending on financial support to children by 64%, to £24 billion ($41 billion), since Labour came to power in 1997. In the latest splurge, it announced an extra £1 billion for childcare, advice for struggling parents and cash benefits.

Intervention in infancy is increasingly popular in America and in Europe, among all shades of opinion. Most leftwingers accept that bad parenting is not only about poverty; most conservatives accept that working mothers are not its sole cause.

Disadvantage is clearly passed on early, and not just through the genes. There is evidence that, by the time they get to school, many dim two-year-olds from good homes have overtaken bright children from bad ones. Being read to, played with, properly fed and cuddled all hugely increase the likelihood of success in later life. Conversely, bad parenting increases the risks of everything from dropping out of school to illness, and eventually jail.

The problems are working out what to do and then making it happen. The British approach, under the overall title of Sure Start, has several strands. One, aimed at 400,000 children in the poorest fifth of the country, is, in effect, supplemental parenting: free places in high-quality nurseries and creches, coupled with energetic advice-giving, a new network of children's centres, and home visits from volunteers. Then there is the general expansion of nursery education. Already every four-year-old has the right to 2½ hours of state-financed nursery care a day. In 2004 that will include three-year-olds.

Third is the plan to cut child poverty by a quarter by next year, and “end” it in 2020. But poverty, like cruelty, is hard to define. The government's definition, based on 60% of the median income, is a shifting target: as earnings rise, so does poverty. Moreover, not all cash-strapped parents are bad at raising children.

Nonetheless, the government has energetically raised family benefits and tax credits. The poorest 20% of families with children, it says, will be £2,900 a year better off in real terms than before Labour took power in 1997. For single-earners with two or more children, policies are even more redistributive.

The money and effort that have gone into improving life for Britain's infants are the government's proudest boast—especially as other public-service reforms are looking increasingly tattered and battered. But problems lurk behind the determination. For a start, these policies are not necessarily compatible. Generous benefits distort the labour market and may encourage feckless behaviour. Frank Field, an iconoclastic Labour MP, notes that benefits for single mothers penalise those in stable relationships, which are clearly associated with good parenting.

Encouraging mothers of young children to find jobs is another good thing: it benefits both them and the family budget. But if it means their children are dumped in front of the telly at a cheap childminder, the kids may be worse off than if they were at home with mum.

The government's unwillingness to pass judgment on bad parents also weakens this approach. The rhetoric around Sure Start is swathed with waffle about “inclusivity” and being “non-judgmental”. “I don't have the right to call someone a bad parent,” says Jane Cole, a senior Sure Start adviser. Don't blame parents, she says, but society. But studies of similar intervention in early childhood in America show it works best when programmes clearly tell parents what to do and why.

Sure Start has almost nothing to say about the benefits of reading aloud, or the perils of too much television. According to a sceptic close to the scheme, there is too much about boosting parents' self-esteem and too little attention to making a real difference to children's lives.

That leads on to the biggest question of all: whether this sort of intervention works. The statistical evidence from well-established programmes in America is at best mixed: the children in greatest need tend to benefit least. A big study due out in 2006 will answer the question definitively, but Krista Kafer of the Heritage Foundation, an American think-tank, fears that “all it really does is make us feel better as a society”. Scandinavian countries have spent heavily on infants for decades, and the inheritance of disadvantage seems to have decreased—though it is difficult to prove that the two are connected. The British government's splurge on children is based on the hope that they are.

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London's mayor

Welcome home

Dec 18th 2003
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Tony Blair wants London's rebellious mayor readmitted to the Labour Party

MORE than anything else, it is the disintegration of Labour's once-formidable internal party discipline that has made this a difficult year for Tony Blair. Rebellions over Iraq, foundation hospitals and university fees have undermined his authority. Which makes it all the odder that he seems intent on restoring to the bosom of the party the greatest rebel of them all, Ken Livingstone, the mayor of London.

At a meeting on December 16th, Labour's ruling board, the National Executive Committee (NEC), decided to begin the process which will not only readmit Mr Livingstone to the Labour Party, but also ensure that he is the party's candidate in next year's mayoral election. Mr Livingstone still has to provide "reassurances" that he will behave himself. However, after this week's 25-2 vote in his favour, and with Mr Blair's tacit backing, this looks like nothing more than a face-saver.

Mr Livingstone was expelled in 2000 for standing against an official Labour candidate. Party rules say he must wait at least five years before reapplying for membership. But the NEC can choose to ignore its own rules if it seems expedient. Mr Blair knows that if Labour competes with Mr Livingstone, it risks coming in a poor fourth. Since Labour's candidate is Nicky Gavron, a chum of Mr Livingstone's who has made it plain she has no stomach for the fight, that result is almost guaranteed.

Mr Blair feared the damage could extend beyond the mayoral election. On the same June day as Londoners vote for the mayor, they will also be voting for members of the Greater London Assembly and the European Parliament. The London Labour Party was concerned about a possible knock-on effect. Nonetheless, the cynicism of Mr Blair's manoeuvrings is breathtaking. Less than four years ago, he was so appalled at the prospect of Mr Livingstone's election as London's mayor that he rigged Labour's candidate-selection process against him.

The episode was ugly and ineffective, but understandable. During Mr Livingstone's time as leader of the now-defunct Greater London Council in the 1980s, his fiscal incontinence and juvenile gesture politics were in part responsible for the "loony left" tag that helped keep Labour from power for 18 years.

Mr Livingstone has not been quite the disaster as mayor that Mr Blair predicted—not least because his powers are limited. His biggest initiative, making people pay to drive in central London at peak times, has proved surprisingly popular. Londoners still like his reptilian charm. But he has overspent heavily on buses that clog central London's arteries while providing little relief for commuters. At huge expense, he fought a doomed battle against the government's plans for partial privatisation of the Underground, and thus helped delay much-needed modernisation. When George Bush visited, he said the American president was the biggest threat to world peace and not welcome in London.

Many of Labour's heaviest hitters—including Gordon Brown, the chancellor, John Prescott, the deputy prime minister, and Charles Clarke, the education secretary—oppose Mr Livingstone's rehabilitation. According to Neil Kinnock, a former party leader, "Ken Livingstone has only ever belonged to one party: the Ken Livingstone party." They believe that, by appeasing Mr Livingstone now, Mr Blair is sending a message that rebellion and indiscipline will be tolerated. That seems like a high price to pay to stick a party rosette on London's mayor.

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Airports

Flying high

Dec 18th 2003
From The Economist print edition

Plans to expand airports sit badly with the government's green aspirations

GIVEN that you can fly to Rome or Paris for less than the price of a square meal these days, it is hardly surprising that demand for air travel is soaring. After increasing five-fold over the past three decades, air travel is set to triple again over the next 30 years. To meet that demand, the government has decided to approve two new runways for the south-east, the first to be built at Stansted by 2012, the second at Heathrow by 2020. The plan was announced in a white paper published on December 16th.

AFP

Wakey wakey!

The government decided to expand Stansted first because of pollution problems at Heathrow. Yet provided these can be overcome, Heathrow is set for further massive development. There is talk of a sixth terminal. In the meantime, ministers have agreed to squeeze more capacity from Heathrow's existing two runways by allowing them to be used simultaneously for take-off and landing. Three years ago, Roy Vandermeer, the government-appointed inspector in charge of the Terminal 5 inquiry, concluded that a third runway would have “such severe and widespread impacts...as to be totally unacceptable”. No wonder BA and other airlines based at Heathrow have responded to this week's news with satisfaction.

Mr Darling claims he has adopted a “balanced approach” and that “over time” the industry should meet its full environmental costs. But the white paper does not tackle the environmental consequences of unrestrained air travel. Even on the government's own figures, which are less than a quarter of those provided by the European Environmental Agency, the industry is seriously under-taxed. Air passenger duty (APD) currently raises about £850m ($1.5 billion) a year, barely half the cost of the damage the government estimates is done by aircraft emissions.

A previous draft of the white paper proposed raising APD as a way of both discouraging air travel and covering industry's environmental costs. That was dropped. The published version dismisses APD as a blunt instrument but offers no alternative except a plan to include aviation in a European emissions-trading system. Such a system is unlikely to get off the ground before 2010, if ever. In the meantime, aviation will continue to be under-taxed compared with other modes of transport. The Institute for Public Policy Research, a left-leaning think-tank, suggests that, if aviation had to pay tax on fuel and VAT on air fares, it would have to pay another £9 billion a year—roughly £50 on the price of a ticket.

Britain is committed to reducing greenhouse gases. The Royal Commission on Environmental Pollution says that, at current rates of growth, aviation will become a major catalyst of climate change. The government's unwillingness to get the industry to cover its environmental costs has led Sir Tom Blundell, the commission's chairman, to complain of “a serious fracture between the government's policies on energy and aviation”.

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The Soham murders

Unchecked

Dec 18th 2003
From The Economist print edition

If the system had worked better, Ian Huntley might not have killed two girls

AFP

A man with much to hide

WITH the benefit of hindsight, Ian Huntley could scarcely have been less suitable for a job in a school. There was a string of troubling allegations: four involving under-age sex, one of indecent assault, three of rape and one of burglary. None of these had actually led to a prosecution, but if the headmaster of the school in the East Anglian village of Soham had known even a bit of Mr Huntley's past, he would not, he says, have hired him as caretaker. This week, Mr Huntley was found guilty of the murder of two ten-year-old pupils, Holly Wells and Jessica Chapman. After the jury gave its verdict, the court heard details, previously withheld, about his past.

The frenzy of news coverage that started with the girls' deaths in summer 2002 is now abating. But the difficult questions for the authorities are just beginning. The home secretary, David Blunkett, has announced an inquiry; so have two other parts of officialdom.

The failures are striking. In his home town, Grimsby, the social services never connected the fact that the same person was involved in five separate complaints. At the time, in the mid-1990s, these were handled by four different teams of social workers in different parts of Grimsby; their filing system was based on victims, not perpetrators. The new system, supposedly, would have thrown up a pattern.

That, though, seems a mere blip compared with the police's blunders, chiefly in Grimsby. Though they dealt with Mr Huntley ten times, their record-keeping failed to highlight this. Had it done so, they might have been less dismissive of the later allegations against him, which they felt were not solid enough to bring to court.

Mr Huntley had changed his name, to Nixon, by the time he applied for the job at Soham. Although he also gave his previous name, and the Humberside police force was twice told that the two names belonged to the same man, they failed to check that in their computer. That was “human error”, admits the chief constable, David Westwood.

But the other failings go deeper. Protection of privacy, and the desire to allow offenders a second chance, hamper efficient record-keeping. The Humberside police misunderstood the Data Protection Act, and regularly purged their computer of cases that had never come to court. Staff there screening people working with children did not have access to a database about sex offences.

Yet it is hard to know what to do. The public wants both safety and privacy. They are not always compatible. Checks on people working with children, handled by the privatised Criminal Records Bureau, are already burdensomely bureaucratic. They deter people from volunteering for a range of useful activities. A stint working abroad throws the system into confusion and can stymie your chances completely.

Then there is the presumption of innocence, both in court and in life generally. It would be quite wrong if an allegation of sexual misconduct was enough to end a career. But Ian Huntley ended two lives, and blighted many others.

One lesson may be that a clean bill of health from a computer is no substitute for a personal reference.

They used to play a bigger role in employment. A truthful and confidential note from someone with first-hand knowledge of an applicant is hard to beat. Bring them back.

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Forensics

Trial and triangulation

Dec 18th 2003
From The Economist print edition

Mobile phones are increasingly useful as forensic evidence in trials

A PHONE says a lot about a person. In the trial of Ian Huntley it told the world rather more about him than he had anticipated. After murdering Holly Wells and Jessica Chapman, Mr Huntley carefully removed any physical trace of their presence in his home. But he seemed unaware of the unerasable digital footprints that three mobile phones had left behind. These footprints were vital evidence in his conviction.

As mobile phones proliferate they are becoming increasingly useful in British court cases and investigations. Some believe that evidence from them could become as important as DNA evidence and computer forensics.

The technique is based on the fact that mobile-phone companies keep information about the telephone numbers called, and where calls are made and received, for billing purposes. According to Peter Uglow, director of Focus Forensic Telecommunications in Bromsgrove, mobile-phone data helped disprove Mr Huntley's alibi. His girlfriend's phone was in Grimsby when she told the police she was with him. Mr Uglow's company provided an expert witness for the case, and a forensic technique called “cell site analysis”, a form of triangulation that estimates the location of a mobile phone when it is used. Mobile records also forced Mr Huntley to admit that he had changed the tyres on his car a day after dumping the children's bodies.

Unless a phone is making calls, no record is kept of where it is, but in high priority cases the police can request live tracking of a phone's movements. This technique was used to monitor the phone of Jessica Chapman when she went missing. Police watched as the phone was switched off, and gave a “goodbye” signal to the network. Analysis showed that the only place this was likely to have happened was just outside or inside Mr Huntley's house.

A number of agencies, from the police, customs and excise, and the security services, to the Fire Authorities and Ambulance Services, are allowed to ask mobile-phone companies for this sort of data, known as traffic information. Libby Pritchard of Vodafone says it has a “steady stream” of requests for this kind of material. Electronic information, then, is becoming increasingly useful in identifying the guilty. Just how useful, though, is hard to tell: the Home Office keeps no records of how many of these requests are being made.

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Bagehot

Wishful thinking

Dec 18th 2003
From The Economist print edition

Will Tony Blair still be prime minister next Christmas?

Get article background

RUMOURS of Tony Blair's political death are greatly exaggerated. A lot of people appear to have convinced themselves that Mr Blair is soon to be an ex-prime minister—an ICM poll in the *Guardian* suggests that 46% think he will be gone by next Christmas. Bookies have lengthened their odds on Mr Blair fighting the next election; MPs talk about preparing for "life after Tony"; the well-informed political commentators of the (right wing) *Spectator* and the (left wing) *New Statesman*, who agree about very little, are united in believing that the prime minister will soon be enjoying a well-earned and prolonged rest.

This year has without doubt been by far Mr Blair's toughest since he entered Number 10. The divisions the war has caused in the party and the country have visibly strained him. The constant drip of bad news from Iraq and the failure to find weapons of mass destruction have undermined faith in both his judgment and his honesty. In particular, the enormous amount of political capital he has expended on Iraq and his relationship with President Bush has made it much harder for him to propel his domestic agenda forward.

Labour MPs have acquired the habit of rebellion. In a way they would never have previously dared, they question whether Mr Blair is still in touch with popular sentiment. When he could claim to speak unerringly for middle England, it made sense to define himself in opposition to much of his party. But middle England is no longer such an easy touch for the prime minister. The opponents of foundation hospitals and top-up fees are emboldened because they think that the policies are wrong in principle and disliked by voters.

That much is uncontroversial. But the school of thought that reckons the prime minister is headed for an early bath goes a good deal further. Mr Blair, it maintains, has become a kind of confrontation junkie, always on the lookout for the next fix. What other explanation could there be for turning something as peripheral as university funding into a make or break issue for his premiership? In short, Mr Blair, always a bit of a drama queen, is in the grip of a form of hysteria. And when he is not high, he is down, wearied by the perpetual war of attrition waged by a chancellor increasingly impatient for his inheritance.

Most tantalising of all is the bubbling speculation about the prime minister's health: a heart scare; stomach cramps (not satisfactorily explained); weight loss. And who knows what else? Concerned observers report that the prime minister's skin is clammy, his complexion blotchy, his eye less bright than in days gone by. The punishing workload (exacerbated by his inability to delegate), the frustration (caused by Gordon Brown's sabotage of radical public-service reform) and the paranoia (although they really are out to get him) have conspired to ruin him.

With his health poor, his grip lost and further political setbacks to come in the shape of Lord Hutton's report and a successful parliamentary revolt over student top-up fees, the question in many minds is not if Mr Blair will depart, but when.

A weekend is a long time in politics

The damage that a top-up fees defeat would do Mr Blair is not to be underestimated. But it is a stretch to think it would trigger his resignation. The signs are anyway that the government is winning the argument, if not yet converting enough of the doubters. But in almost every other respect, the prophets

of impending doom are making a great deal out of very little.

Mr Blair's physical condition is a case in point. Given that neither the minor heart irregularity that made itself known in October, nor the more recent digestive disorder, resulted in the prime minister taking even one full day off work, only the most dedicated conspiracy theorist could think him seriously ill. Close colleagues say that he talks quite openly about his irritation over the continuing speculation. They admit he is looking older and a bit drawn, but they put it down to over-exertion in the gym and a tendency to skip breakfast. There's nothing wrong with him that a holiday, a bit of time out of doors and a few extra pounds won't put right.

Conflating Mr Blair's somewhat haggard appearance with a more generalised decline in his political fortunes is still more tendentious. However unconnected, last weekend's events make talk of Mr Blair's luck having deserted him seem absurd. After the collapse of the inter-governmental conference on the European constitution, the sound of a very promising Tory fox receiving both barrels was unmistakable. The potentially embarrassing matter of a referendum is over until after the next election and with it one of the Conservatives' best issues. Mr Blair dutifully repeats his desire for a constitution, but this week he did not appear exactly grief-stricken over its delay.

The capture of Saddam Hussein may not give Mr Blair the immediate boost that President Bush can expect. However, the catalogue of horrors that will be aired during Mr Hussein's trial will do much to expose the moral vacuity of those who pretend the monster could have been removed by means other than war. From Mr Blair's perspective, after the digression of Hutton, that will be a welcome and timely reminder of what counts.

Perhaps it is because everything has come so easily to Mr Blair throughout most of his political career that so many people now want to believe that he will fold under a little pressure. They are likely to be disappointed. The prime minister has his faults but a lack of resilience or optimism is not among them.

And, come to that, just how much pressure is he really under? After all, he presides over a stable and growing economy, while nearly every opinion poll indicates a lead sufficient to return the government with a 100-strong majority. Delicious though intimations of Mr Blair's political mortality may be, the wish is rather too obviously father to the thought.

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Christianity's Jewish roots

A Mary for all

Dec 18th 2003

Bridgeman

New evidence on links between Judaism, Christianity and Islam

IMAGINE what you would think if you had grown up with little knowledge of Christianity, and you arrived in mid-winter in a country whose culture and spirituality had been shaped by that faith in one of its more traditional varieties. In other words, if you found yourself observing the celebration of Christ's Nativity in a country dominated by Roman Catholics, or by the Greek or Russian Orthodox church, or in an ancient outpost of Christendom like Ethiopia or Armenia.

You might have questions about the sex of the worshippers, and of the divinity being worshipped. As you walked into church, you would notice some impressively robed people singing, speaking and gesturing at the far end, either in view of the congregation or else in a partially enclosed space from which they periodically emerged. Both these robed celebrants and, almost certainly, their assistants would all be male; and no female would be allowed to enter the semi-enclosed space. Yet most of the worshippers might well be female.

Then you might begin to wonder about who or what was being addressed in the ceremonies you were watching, and your confusion would be even greater. As you studied both the seasonal decorations—the greetings-cards, the cribs and Nativity scenes, and also more permanent fixtures like statues, icons and mosaics, you might well conclude that the main person being celebrated and adored was not a new-born boy, but his mother.

The impression of a maternally-oriented religion would be especially powerful if you entered one of the many eastern Christian churches where a fresco or mosaic of a giant figure of Mary, with a relatively small figure of Christ superimposed, filled the concave space above the altar, seeming to tower over the worshippers. The sense of a religion dedicated to womanhood, with or without the attribute of maternity, would be stronger still in bastions of Roman Catholic piety such as Mexico, where simple believers often pour out their hopes and fears to an image or statue of Mary alone, without her child.

And your curiosity about the divine force being invoked might grow even greater if you could follow the words being prayed and chanted all around you. Some of these words would be celebrations of a new-born boy, destined to save mankind, but much of the language would be about his mother: the miraculous circumstances of her pregnancy, and the great tragedy that awaited her as her son was to meet a cruel death.

Whatever you made of this story, you would find yourself appreciating one of the great cultural achievements of the Christian era: thousands of lines of subtle and expressive religious poetry addressed

to Mary, the mother of Jesus. Some of this was composed for the mid-winter celebration of Christ's birth. Equally beautiful language was inspired by the four other feasts that the early church dedicated to Mary, each with its complex liturgical forms. From the relative handful of direct references to Mary in the Christian gospels, a vast web of ritual and praise has been woven.

Of course, if you then asked a well-instructed Roman Catholic or eastern Christian believer about the meaning of these rituals, you would be told rather firmly about the limits of Mary's veneration. Mary is not a goddess, you would be informed, but a human being with a unique relationship to God, and therefore a unique role in praying for and protecting the human race. She is not worshipped, but rather venerated.

A Roman Catholic might tell you that Mary was the co-redeemer, with Christ, of the human race—though this is not dogma—and that she was conceived without the “original sin” that every other human being inherits. An eastern Christian would not use quite that language. But he would acknowledge a special sort of intimacy with the mother of God, and in particular with icons of Mary with her son, which no other manifestation of the divine can inspire.

Islam's most honoured woman

All this would be rather puzzling if your background was entirely secular, but it would be very familiar indeed if you adhered to another monotheistic world religion, Islam. In some respects, Muslim beliefs about Mary—the most honoured woman in Islam, and the only one to have an entire chapter named after her in the Koran—seem to be quite close to those of the Roman Catholics. The Islamic tradition holds that Jesus and his mother are the only two human souls who were not touched by Satan at birth.

In other respects, the Muslim understanding of Mary seems close to that of the eastern Christians. Both cherish the story of Mary's childhood in a place of supreme holiness that had hitherto been a bastion of male priests. Both name Mary's guardian as the priest Zechariah or Zakariya. In Islam the story is told of Zakariya bringing food to the child Mary and finding that she had already been given nourishment by God; this is cited as a sign of her extreme receptivity to God. In Orthodox Christianity it is stressed that Mary was born an ordinary human, burdened like others with the capacity to sin.

So much for the theology, you might say. But, as an outsider, you would still wonder at the power and intensity of the metaphors that early Christian hymnographers ascribed to Mary. Among the dozens of heart-stopping turns of phrase, she is described as the dawning of a mystical day, a bridal chamber bathed in light, a lily whose perfumes scent the faithful, the vessel of God's wisdom, who showed up the unwisdom of the philosophers and reduced the scholars to speechlessness.

In the eastern church, some of the finest language is prescribed for a feast in late November or early December that is based not on the New Testament, but on a lesser-known Christian text called the Gospel of James. This feast celebrates the presentation of Mary, as a three-year-old child, to the Temple in Jerusalem, where she is described as entering the most holy place—which was normally reserved for male priests—and spending the remainder of her childhood absorbing the Temple's sanctity and scholarship.

Where do all these images come from? A psychotherapist in the school of Carl Jung might say that motherhood, as a force that feeds and protects all humans, is the most important of all the “archetypes” that lurk in humanity's collective unconscious; so any religious practice that fails to answer this need will fail to satisfy its followers. For feminist critics of traditional Christianity, the attention paid to Christ's mother is a feeble counterpoint to the male domination of every other aspect of the faith. Secular historians would link the veneration of Mary to the pre-Christian cult of female divinities, such as the Egyptians' Isis—who was conceived by her followers as a Madonna figure nursing a holy child—or the Romans' Diana.

A somewhat different answer is offered by Margaret Barker, a Hebrew scholar and prolific writer on religious history. Her latest book, “The Great High Priest”, is a collection of densely woven arguments about the continuity between Judaism and early Christian practices. It touches on at least two interlocking themes: the sex of divinity, and the locus of holiness.

From Judaism to Christianity

As she (and many others) have observed, much of the poetry dedicated to Mary comes from what is called the “wisdom tradition” of the Jewish religion. This takes the form of passages in which wisdom is perceived as a form of feminine divinity. One of the most explicit references to wisdom as a sort of female agency or power is in the Book of Proverbs: “Wisdom hath builded her house...She hath killed her beasts; she hath mingled her wine and furnished her table.” Mrs Barker believes that there are scores of other places in the Jewish scriptures where “wisdom language” is lurking just below the surface. Some of this language was transferred, in Christianity, to Christ or the Holy Spirit, but most of it was applied to Mary.

Mrs Barker believes the worship of a deity in feminine form was more explicit before the catastrophe of 586BC when the first Temple, built by Solomon, was destroyed and the Jews went into exile in Babylon. As evidence, she cites a passage in the book of Jeremiah where Jewish exiles in Egypt are scolded for continuing to offer cakes, libations and incense to the “queen of heaven”.

“The all-golden vessel, the most delectable sweetener of our souls...the treasure of innocence and ornament of modesty”

They reply defiantly that everything had been going well in Jerusalem's Temple, and among the Jews generally, so long as the heavenly monarch was given her due. Only when that practice ceased had disaster befallen. Other scholars have noticed references in the Old Testament to “groves” and “high places” where forbidden religious rites were going on, and have assumed, perhaps reasonably, that these too were rites associated with a feminine deity.

To back her interpretation of this passage, Mrs Barker draws on a version of the Book of Enoch found among the Dead Sea Scrolls—manuscripts whose discovery 50 years ago transformed Christian and Jewish scholarship. This document asserts even more clearly that the cult of a female force called wisdom had been a feature of the first Temple, but was then abandoned, disastrously.

As an exercise in textual analysis, Mrs Barker's case is almost unanswerable, albeit not entirely original. The idea of wisdom as a female agency or person also existed among the Greeks, for whom Athene was the goddess of wisdom, just as Minerva was for the Romans. More recently, in the 1930s, the idea caused furious disputes in the White Russian diaspora in Paris, with bitter allegations of heresy being traded.

No wonder. As Jamie Moran, a lecturer on religion and psychology, puts it, “The Christian church does have an understanding of wisdom as a feminine gift of God, but it is so subtle that almost any statement you make about it becomes heretical.” The best way to understand the Judeo-Christian wisdom tradition, in Mr Moran's view, is to think of wisdom as a creature who is not part of God but has a unique role in mixing God and creation together. If so, it is easy to see how “wisdom language” was transferred to Mary.

But whatever the insights offered by comparing texts and metaphors, it can be hard for 21st-century observers to understand the sheer passion of the language that was addressed to Christ's mother in late antiquity. “The all-golden vessel, the most delectable sweetener of our souls, she who bears the Manna which is Christ: land uncultivated, field unploughed, vine streaming with fecundity, vessel most delightful, spring that gushes forth, the treasure of innocence and ornament of modesty.” Those are the words of an eighth-century Byzantine sermon, describing Mary's entry into the Temple.

The holy of holies

To understand the preacher's passion, it helps to look at the other part of Mrs Barker's argument which has to do with the locus of holiness on earth. Like several other religions, the Jewish tradition was torn between its emphasis on the unbridgeable gap between God and human beings and its belief that, in certain circumstances, it is possible for man and the divine to come face to face.

For the Jews, the unique place of encounter between man and God was the temple. Before that, it was the Tabernacle, or tent, constructed by Moses. Mrs Barker's point is that only in the light of the temple or tabernacle tradition can many features of early Christianity be understood. She also believes that the reverse applies: in the light of early Christian practices and ritual, it becomes easier to reenter the world of the Jewish temple. As an example of this, she takes the central Christian rite of the Eucharist, in which bread and wine are offered to God, consecrated and then consumed by worshippers who believe the sanctified gifts enable them, in some mysterious but primordially important sense, to take part in the divine life of Christ.

As many a religious historian has noted, there are two temple practices that foreshadow the Eucharist. One was the weekly ceremony in which 12 loaves of bread were brought into the temple, consecrated and then consumed by the high priests. The other was the annual rite that marks the high-point of the Jewish calendar: the Day of Atonement, the only time when the priest entered the holy of holies, the most sacred part of the temple.

Before doing so, the priest would select two almost identical goats. One would be slaughtered, and its blood was taken into the holy of holies before being sprinkled in various parts of the temple. The other was sent out into the desert, a “scapegoat” bearing the sins of the people.

As one standard translation puts it, the priest would sacrifice one goat for the Lord, the other to a demonic force called Azazel. But Mrs Barker, drawing in part on Christian sources, argues for a different reading of the Hebrew: one goat was sacrificed as, rather than for, Azazel, whereas the other was sacrificed asthe Lord. If she is right, then the paradoxical Christian teaching that God the Son, being crucified, is both “victim and priest” in an act of supreme sacrifice becomes easier to understand. And it is clear that the links between the Eucharist and the Atonement rite are closer than previously realised.

Mrs Barker's broader case is that posterity has underestimated the importance of temple worship in the spiritual universe, not only of the Jews, but also of the early Christians, some of whom were temple priests. Her argument is reinforced by the recent findings of John Wilkinson, a former director of the British School of Archaeology in Jerusalem.

Mr Wilkinson has studied the architectural designs of hundreds of synagogues and Christian churches from the early Christian era of Georgia and Armenia to Salisbury Cathedral in England, which was begun in 1220AD. His conclusion is that all these buildings reproduce, with some precision, certain proportions of the ideal Jewish temple as described by Ezekiel. Because the architects set out to copy ratios, rather than exact dimensions, the temple influence is not immediately obvious. But it can be discerned, says Mr Wilkinson, in apparently dissimilar churches.

Transcending sex

As evidence that Christians self-consciously followed the Jerusalem design, he cites a papal adviser of the 13th century, William Durandus, who said, “Our physical church has taken its form from...two buildings, the Temple and the Tabernacle.” But most of the time, the “temple proportions” of church design, Mr Wilkinson believes, were part of a secret body of orally transmitted knowledge, influenced by the Greek belief that numbers had mystical properties.

Whatever the channels through which the temple influenced Christians, the essential point, for both Mrs Barker and Mr Wilkinson, is that Christianity inherited and built on the Jewish belief that it is possible for the human being to have a direct encounter with God, and in some sense to become part of divine reality.

For the Jews, the temple, specifically the holy of holies, was the unique locus for that encounter. For Christians, the equivalent place was the sacred space around the altar of their church, where bread and wine were consecrated, and believers were enabled to take part in Christ's life.

So how does that argument tie in with Mrs Barker's earlier observations about the worship of the feminine in early Jewish religion, and the transfer of this tradition—or at least its language and metaphors—to Mary? Very closely, she would argue.

First, the Christian (and Muslim) story of the young Mary going into the heart of the Temple indicates, in Mrs Barker's view, that sex is transcended in the divine reality that Jewish high priests entered when they made their annual procession into the holy of holies. There is thus, she argues, a sense in which the priest entering the holy of holies ceases to be male. Mrs Barker, a Methodist preacher herself, concludes that this journey to a “place beyond gender” can be made by a person of either sex, and there is no reason why women cannot be Christian priests. Conservatives may regard this as feminist claptrap but, whatever they believe about that thorny topic, many Christians may be sympathetic to the stress that Mrs Barker lays on the traditional story of Mary's early life among the temple priests, in a place of pure holiness where nobody except an elite caste of males had ever been.

Muslims, like eastern Christians, believe that Mary's mother was expecting a child who would perform unique services to God, and was therefore surprised when her baby turned out to be a girl. Christians

and Muslims will never agree on the nature of Mary's child: was he God incarnate, who experienced death and rose again, or a uniquely inspired prophet who did not die but ascended to heaven? Yet Christians and Muslims alike can see in Mary an affirmation that there is no limit to the holiness, or proximity to God, that any human, whether male or female, can attain. Surely that is reason enough, for people of any faith, to feel reverence for history's foremost Jewish mother.

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About sponsorship

Half a century at The Economist

Not so hard labour

Dec 18th 2003

Barbara Smith, who has just retired, looks back at the publication she joined in 1956

PRETEND you are God, a long-ago senior editor advised a nervous new recruit faced with writing a leader. A much more recent, and not at all nervous, intern walked out after her first week because she could not stand the superior, faintly ironic, white-male aura of the place. Leaving *The Economist*, after almost half a century of writing and editing articles for it, I can just about recognise what both the editor and the intern were saying.

We are a bit cocky in our glass tower gazing down on Westminster and Buckingham Palace: we cheerfully tell American and Soviet and French presidents to pack up and go. I've even done a bit of it myself, though for lesser fry, like Arab dictators or Israeli prime ministers. We are brought down to earth by our howlers. But our excellent advertising people spur us on by telling us we are read in the best houses, and influence the great and good—though my own target-audience tends to be an elderly, querulous relative.

I joined the foreign editorial department of *The Economist* in 1956, sneaking over from the Economist Intelligence Unit. The sister organisations were in the same building, a rambling, dusty house of twisty corridors on the site now occupied by the brutalist 1960s tower that *The Economist* lives in today. The EIU, sniffily believing itself to be as good as the newspaper, made my crossover akin to leaping the Berlin Wall. But my bluff at handing out economic advice to unfortunate clients who were paying good money for it was wearing thin, and I made my escape at a Christmas party.

Naturally, the paper was different then. Our circulation was 55,000 copies, mostly in Britain, compared with 900,000, 40% of it in America, now. Though, even then, we were a venerable organisation, and felt pretty self-important, our not very prepossessing name did not mean much to most.

Communication with “abroad” was rigidly limited by expense and technology. We had a wire service, and a handful of British newspapers, but in those economical, pre-web days we foreigners really couldn't do much research, relying instead on instinct and the fabulous memories of our librarians (dear reader, fear not, that was then, and now is now). All long-distance telephone calls were resolutely frowned on: the American department would gather round when the Washington correspondent made his very rare, very brief call to London. If he called more than, say, once a month, he was rebuked.

We did what we could. Copy rolled in slowly by airmail or—very occasionally, in dire emergencies—by cable. Contributors would send background stories, many based on the foreign newspapers that were

unavailable to the editors and to most readers. These would be wound into a dense section of a dozen pages called International Report, which, after I had been on the staff a few years, I edited.

Sometimes, their connection with the news was tangential: I remember a usually tolerant editor gagging politely at a 1,500-word homily on Syrian land reform that I had rather fancied. Not that the news was ignored: leaders aside, political news went into a section called Notes of the Week, in which we clever young staffers rewrote newspaper cuttings, providing *The Economist*'s trademark, even then, of polish, punditry and puns.

Getting lost

Editorial tightfistedness, and the fact that I was, at least at first, entirely dispensable, worked to my wonderful advantage, sending me on smashing freebies (now sternly forbidden) from the northernmost point of Canada to American warships in the eastern Mediterranean. Every new recruit to the foreign department was given Latin America, but most moved swiftly on since, at that time, the continent held little interest for the British. I stuck it out for quite a bit, having found I could get lost to head office while happily traipsing from one Latin American dictatorship to the next.

My regret, as I explored new places, was that, as a young woman, I could not comfortably loiter in the streets. Ironically, I was deeply envious of a more adventurous travelling journalist, James Morris, who, a little later, changed himself into a no less adventurous woman, Jan Morris.

The one stipulation from my office was that I should not spend much money. No problem: staying at brothel-like hotels, living on buns. Dissidents, of all colours, were kind and forthcoming. Every so often, I would try, with timid subtlety, to ask a dictator when he was going to let in a little political light, but in my horrible Spanish the questions would come out crude and rude. Visiting Cuba soon after Fidel Castro's revolution was eye-opening: people interviewed in the street actually liked their new young government. Sometimes, especially if I stepped inside a British embassy, concerned messages from my forbearing foreign editor would catch up with me, and I would quickly type out something or other, and send it to him with all the speed of airmail.

Israel, Palestine and all that

But, at the back of my mind, the Middle East was calling. A couple of months after I joined *The Economist*, Britain, France and Israel conspired to do down Gamal Abdel Nasser, Egypt's dictator, in the traumatic Suez Canal affair. The foreign editor, the same beloved man who allowed me my head in Latin America, let me write an angry paragraph of his angry leader. *The Economist*'s Middle East editor, the great Elizabeth Monroe, generously encouraged me to try to get myself quickly to Nasser's Egypt. Once in Cairo, warm with spices and jokes, I was hooked.

Eventually, after Elizabeth retired, I was dropped into her shoes. Our correspondent in Beirut, whom we shared with the *Observer*, was Kim Philby, who was spying for the Soviet Union. His work for *The Economist* was excellent but there was not enough of it. My embarrassing job was to be sent out, on at least two occasions, to urge Kim to file more regularly.

So, Mr President, how many dissidents have you tortured today?

Kim, who was under rather different pressures at the time, would sensibly go to ground. He was contactable only through the barman at the Normandie Hotel, and that considerate fellow always told me that Mr Philby had flu. I would hang around, feeling silly, and eventually Kim would emerge and we would drink and talk. I don't think I ever got around to scolding him for his inadequate copy. Shortly before his 1963 disappearance to Moscow, I had dinner with him and his wife Eleanor at their apartment, spending most of the evening on our knees trying to catch a fox cub that had escaped its cage. He was fun in an elusive way, but no help to an aspiring novice. Once, when I was going to Iraq, then being run by a pre-Baathist Communist regime, I asked Kim, who had just been there, for contacts. He gave me the names of British diplomats.

I didn't have a clue about what he was really up to. In retrospect, I remember the tension of double-edged talk, even the strained laughter in one conversation about “the third man” that took place in my office between Kim and a rather curious American oil man briefly recruited to *The Economist*'s staff. But I was in Colombia when the foreign editor telephoned (exceptional in itself) to ask if I knew where Kim had vanished to, and my fear was that he was drunk in a Beirut gutter.

If shame for Britain's part in the Suez affair set off my exasperated affection for the Arab world, a far deeper, European, shame fed my passionate advocacy of Israel's existence, a passion that survived, just, my first visit to the Middle East. My way to Israel led through the Palestinian refugee camps in Lebanon, and the gross injustice of evicted Palestinians paying for Europe's guilt. That tempered my delight in Israel in the late 1950s and early 1960s. But delight there was: the eagerness and courage, the idealism of the early kibbutzim, the fun and the rough ways, the heartbreaking beauty of the place before concrete and breeze-blocks took over.

The scene changed after the 1967 war, a war in which Israel captured all the rest of the land that the Palestinians could call home. Some Israelis argued, in the years immediately after that great military victory, that it would be wise to return the land, but there were not enough of them, and the Palestinians were not ready for any sort of bargain. It was the first of the many opportunities tragically missed.

Over the past 36 years there have been bad times and worse times, and occasional shafts of hope, but the basic Israeli-Palestinian equation has remained stuck. In the early 1980s I went to America and stopped writing about the Middle East for ten years. The depressing thing was that, when I restarted, I could do so almost as if the intervening years had not happened.

The elusive obvious

Yet the solution is blindingly obvious. The land has to be peacefully shared, with an independent Palestine set up in the territories that Israel seized in 1967, and small land-swaps where geography or settlements call for them. Since most Israelis and most Palestinians now accept a decent two-state solution, they must, eventually, implement one—but not until the Israelis choose a prime minister who also believes in it, which Ariel Sharon does not.

In the meantime, Israel's electorate seems in a coma, traumatised by the collapse of the peace talks three years ago, and by the violence and terrorism that followed, indifferent to the unusual cruelty dealt out to ordinary Palestinians. In despair, a few respected Israeli voices are calling for peace to be imposed from outside. But the American government, which would have to be in the van of such an endeavour, is light-years away from it.

The terrorism that now dominates American and Israeli thinking was present in earlier years too, when the Palestinians were making a name for themselves for hijacking aircraft and murdering sportsmen. Did that bout of terrorism work? A distasteful case can be made that it did, forcing the world to be more aware of Palestinians than of other dispossessed people.

But *The Economist* itself took time to accept the idea of an independent Palestinian state: Israelis can be persuasive and Arab propaganda, at least in those years, was thunderously counter-productive. The Palestinian cause was dented when an editor was entranced by the wit of an Israeli corporal encountered in a bunker, and finished off when a foreign editor dutifully paid a round of visits to fossil-like Arab rulers. So my editors and I argued interminably, on and on, and round and round. We knew our lines by heart, and our colleagues were bored rotten.

The paper's Monday meetings in the editor's office (round a table, when I joined, now with a huge overflow) have always been commendably democratic, at least in appearance. Every hack, including the newest and youngest, can have his or her say, and is usually listened to with reasonable tolerance—though one editor used to have a gin and tonic to hand to survive the tedium. Brash newcomers may even win the day, if they argue well and the topic is of no national or international importance (though it is often on trivialities that the argument is most passionate). When the subject is of consequence, the editor or his senior deputies lay down the line, as indeed they should.

In its time, *The Economist* has recruited its share of cranks and liars and snobs and ideological hard cases. It has always given a berth to eccentrics: the blue-blood who cherished Queen Victoria's stockings, the hot-blood who, by legend, threw telephones through glass doors, the splutterers and snuff-takers, the deputy editor who laughed so much at his own jokes that nobody could understand what he was saying, which was a pity since he was, and is, a very clever man.

On to Vietnam and Iraq

Through the mists of hot air and dissolving memory, old arguments emerge. Though the paper accepted, in a general way, that European empires had had their day, we argued heatedly over the timing and the pace of Britain's departure from Cyprus, Aden, huge chunks of Africa. My only nose-to-nose meeting with Geoffrey Crowther, a renowned editor who had left just before I joined but continued to overshadow his unfortunate successor, was in the building's (rather slow) lift. Valiantly making conversation, I suggested that the colonial secretary of the day was doing rather well, but Crowther harrumphed, “Yes, if you want him to give the whole damn lot away.” But away they went anyhow, and good riddance.

Darker are the cold-war memories, some of them better to forget: the staff member who danced through the corridors, shouting “My enemy is dead,” on the day that Salvador Allende was murdered in Chile; the graphic celebration of carpet-bombing Vietnam in a biased reporting piece; the inside information on everything that turned out to be flowing from Mossad, Israel's military security agency. On the other hand, I remember, with proper embarrassment, gazing at a fuzzy photograph in 1962 and writing a bold piece (thankfully scrapped by my editor) that declared there to be little evidence of Russian missiles in Cuba.

One way and another, it has been a steamy half-century. Inevitably, I have often disagreed with the paper's policies: for instance, when, from time to time, we veered sharply to the right, when we supported anti-communist third-world monsters—in cold-war terms, bastards but our bastards—or when, as at present, we seem to me to be much too closely identified with official America. During two crises the paper was painfully split. The first was the Vietnam war, which we supported, and the second was this year's Iraqi war, which we also supported. Neither occasion, I would submit, was our

finest hour.

Children should be seen but not succoured

Yet, did those of us who disagreed strongly with the paper's line, resign on principle? We did not. Shameful that, I agree. Over the years, I've invented excuses for myself, but the truth of the matter is that *The Economist* is too enticing a place to leave easily. Indeed, a few people have left—tempted by higher salaries, more prestigious positions, the chance to get one's name known (the anonymity of the paper is a bother for aspiring writers) or just because it is boring and unadventurous to stay in the same job—only to return after a few years in the cold world.

I was invited, in the late 1950s, to a summer school at Harvard that Henry Kissinger then ran for “promising” people. We were followed up, to see if we had fulfilled our promise, and I had always, rather shamefacedly, to admit to be still doing the same old thing. For *The Economist* is a relaxed and easy place in which to work; most people get the chance to blast off, and the writing—reporting spiced with opinion (or, as we like to call it, analysis)—is fun once one has got the hang of it.

And editors of *The Economist*, from the top boss down, have a pleasing history of leniency and liberalism, of giving writers their head. There was the kind editor who sent me off for superb years in Washington (armed with a list of the toppest of top people plus instructions, never I fear carried out, to buy a dining table big and grand enough to entertain them all). The editor who appointed me, stuck in a wheelchair and haunted by his powerful predecessor, used to write comments like “good” in green ink on my wretched little offerings, and I would have died for them.

I was not qualified for much, but I was female and therefore cheap. Now there's a difference. Female applicants for jobs on *The Economist* were rather supposed to have private incomes (which I had not), and not to need much more than pin money. We groused among ourselves, but accepted our lower status in a way that seems extraordinary to me now.

Women at work

Once we had children, we accepted an even more extraordinary custom: while, in those days, we were seen to be our children's main (or indeed sole) carers, the brats should in no way intrude on our work. Their demands had to be dealt with in a magical way that did not interfere with printing schedules. With three young children, my life was a hurdle race, with hurdle after hurdle crashed into.

A wonderful female colleague and I worked it out. There was no problem at all in being sick oneself: the men were all hypochondriacs anyhow. It was allowed for a child to have a serious illness. Out of bounds were everyday maladies and crankiness, let alone the black despair caused by an au pair who felt sick or, worse, absconded. So, sorry for the deceit, we concluded that in emergencies we just had to be sick ourselves. Of course this meant we could never be actually sick; luckily, we were both pretty sturdy.

Yet, forget all that. When I started on a quirky regimen for a disabled child, which meant a 16-hour timetable of complicated physical and mental exercises, my foreign editor gave me all the time and space I needed. I carried on with the regimen for about 18 months, and the dear man never even suggested putting me on an official part-time list. That generosity alone tied me to *The Economist*. Of course, over nearly half a century, I have often thought of leaving, tempted to go away and do something completely different. But, for a journalist, I sincerely believe there is no better place to spend your working life.

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About sponsorship

Multicultural London

Changing shadows

Dec 18th 2003

The many mansions in one east London house of God

DURING Friday prayers, shoes spill down the steps of the Jame-e-masjid mosque in Spitalfields. The main doors, giving on to Fournier Street, are thrown open, and the supplications of the faithful mingle with the noise of the perpetual building work in the City, a little way to the west. When the devotions end, thousands of men reclaim their footwear and congregate in Brick Lane to natter in English, Bengali and "Benglish". Most wear the *kufi*, the Muslim prayer cap.

A hundred years ago, similar assemblies formed in the same spot on Friday evenings and Saturday lunchtimes, except that instead of the *kufi* the men wore yarmulkes, and they and the accompanying women spoke Yiddish instead of Bengali. Between 1898 and 1976, the building on the corner of Fournier Street and Brick Lane was the Spitalfields Great Synagogue. Before that, it was occupied by the Methodists, who had inherited it from the displaced Huguenots—Calvinists fleeing persecution in France—who had built it in 1743. On the pediment at the top of the Fournier Street façade, the Huguenots had placed a sun-dial, inscribing it with an allusion to a Horatian ode that has turned out to be a fitting motto for their temple: "*Umbra sumus*" ("We are shadows").

The mosque is a bricks-and-mortar correction to those Britons who think that immigration is a new and harmful phenomenon. It is a symbol of the way history is packed as tightly into poor neighbourhoods as their residents. And its past suggests that while everything changes in this most chameleonic part of London, some things stay the same. Disparate groups of strangers have looked for a better life in this neighbourhood, have faced the same difficulties and reactions, and have found their solace under the same roof.

Models in the making

The Huguenots have long been extolled in Britain as model immigrants, in contradistinction to the feckless hordes that followed them. But most people's perceptions of them were very different when they first arrived.

The first mass migration to Britain since the Normans took place in the 50 years after 1680. French Protestants, known as Huguenots (the name may derive from *eyguenot*, the term in Genevan dialect for an opponent of Geneva's annexation by the Roman Catholic Duke of Savoy), had first trickled into London in the 16th century, along with some of their Swiss and Walloon co-religionists. Later, after 1681, the Huguenots became subject to a form of persecution known as the *dragonnades*, in which rowdy soldiers were billeted in their houses, and in 1685 Louis XIV revoked the Edict of Nantes, which had given

them a semblance of security. Most stayed in France, officially abjuring their faith, but around 250,000 fled, illegally. Many slipped out by sea, hiding their children in beer barrels. Customs officers slid their swords between the planks of the decks to skewer anyone concealed below.

Some 40,000-50,000 came to England, giving the country a new word—"refugee", from "*réfugié*", one who seeks sanctuary—and a largely new industry, silk-weaving. Around half settled in Spitalfields, close to the Thames, where raw silk from Italy and China was unloaded. Lying just outside the bounds of the City, the area was free of the restrictions imposed on craftsmen by the City guilds. They built broad windows in their weaving lofts, planted mulberry trees to sustain their imported silkworms, and installed canaries to ameliorate the racket of their looms.

In 1742 the ministers, elders and deacons of the Huguenot church in Threadneedle Street petitioned King George II for a licence to erect a new church to accommodate their overflow. Nicholas Hawksmoor, a pupil of Christopher Wren, had only just completed Christ Church, at the other end of Fournier Street. It may have acted as a spur, because when work began on the Huguenot church in 1743 only the very finest materials were used. The Neuve Eglise, as it was known, was a brick building with a stone cornice and plenty of windows, its austere yet elegant classicism contrasting sharply with its neighbour's Baroque exuberance. Its founders stipulated that it was not "to be used for any other purpose but for the worship of God", but leased its vaults to brewers and vintners, who occupied them until late in the 19th century.

The Huguenots had two main advantages over subsequent immigrants: they were white, and they were Protestants. England was in a frenzy of anti-popery, and their devotion to their faith was widely admired. The lord mayor of London organised a collection for them in 1696, and both Charles II and James II donated cash to help them resettle.

A plague of Frogs

Unfortunately, they were still foreigners, a class of people widely (and wrongly) believed to have started the Great Fire of London of 1666. Just as any spending on newcomers does today, royal and mayoral charity embittered the indigenous poor. And worse than simply being foreign, they were French, the very worst type of foreigner to be. A wretched French visitor to London in the 18th century recorded how "at the corner of every street" he suffered "a volley of abusive litanies...The constant burthen of these litanies was, French dog, French b—." An MP described the Huguenot influx as a "plague of Frogs". In 1702 a commentator labelled them "scum", a term that has been popular with anti-immigrant demagogues ever since. Natives complained that English was barely spoken in Spitalfields.

Like their successors, the Huguenots were accused of doing to the city what in reality the city had done to them. London's population grew tenfold between 1500 and 1700, mainly because of migration from the English provinces, creating overcrowding and squalor. The Huguenots took the blame, and anti-French riots broke out in 1675, 1681 and 1683. The immigrants were also ridiculed for their funny eating habits and effete dress—though, with the perennial duality of Anglo-Saxon attitudes to France, the locals also copied their clothes, flowers and recipes.

Some 40,000-50,000 came to England, giving the country a new word—"refugee", from "réfugié", one who seeks sanctuary—and a largely new industry, silk-weaving

For a while, these habits, and the bonds of trade, religion and language, preserved the Huguenots' sense of separateness. But in time many changed their names, especially when regular wars with France made them a liability, just as Germanic names would be changed during the first world war. The immigrants' grandchildren married English men and women, and eschewed weaving for the professions and Calvinism for the Church of England. Rich Huguenot families moved out of Spitalfields (sometimes returning to be buried in the grounds of Christ Church), leaving behind their street names—Fleur-de-Lis, Leman, Fournier—and their enlarged weavers' windows.

In 1855 there were still old women in London who had been born there yet spoke only French. But the Huguenot community's departure from the Neuve Eglise in 1809 was the symbolic end of the Frenchness of Spitalfields. For a short time the chapel was occupied by the London Society for Promoting Christianity among the Jews, which proselytised in it (not very successfully) to the small Jewish community in the district. In August of 1819, a Methodist congregation moved in; John Wesley, the father of Methodism, is said to have preached in the church in 1760. The building was "restored to Beauty and Comfort" at a cost of £1,300.

Huguenot assimilation was both a cause and a consequence of the decline of the Spitalfields weaving trade, which in the 18th century was undermined by mechanisation and cheap imports. The area became notorious for its unemployment and poverty. In 1851 Charles Dickens wrote about its “squalid streets, lying like narrow black trenches...where sallow, unshaven weavers...prowl languidly about, or lean against posts, or sit brooding on doorsteps.” The weavers were joined by refugees from Ireland's potato famine. The Irish were already in London: in 1736, a mob of weavers protesting at their cheap labour stormed two Irish pubs, yelling, “Down with the Irishmen!” Then, a century later, they came en masse.

The City of Dreadful Night

This was the period in which Spitalfields and the neighbouring parishes became “the East End” of the popular imagination: liminal, lawless, deprived and depraved. To visiting writers and sociologists it was “the Abyss”, “the Empire of Hunger” and “the City of Dreadful Night”. All the bad publicity made it an affordable place of settlement for the Jews who began to arrive in droves in the 1880s.

Jews had trickled back to England since Cromwell readmitted them in 1656. But between 1881 and 1914 they came in a gush. New restrictions governing where they could live and work in the Russian empire, plus pogroms, war and revolution, drove more than 2m Jews out of eastern Europe. Many came to London only to make their way to Liverpool and re-embark for New York. But some stayed, and London's Jewish population exploded.

Like other communities that were later to cluster around London's airports and railway stations, the Jews mainly settled in Spitalfields and Whitechapel, close to their point of arrival in the docks. Today the only mementoes of their sojourn in Brick Lane are an always-open bagel bakery and the odd fading Jewish name above a shop. But gentile visitors of a century ago felt they had been transported to a foreign country. Charles Booth, a sociologist, wrote that “[the Jews] live and crowd together and work and meet their fate independent of the great stream of London life surging around them.” They ate strange foods, spoke a foreign tongue, and made their livings from the markets, from boot-making and cabinet-making and, especially, from tailoring, toiling in small workshops, which, like the Huguenots, they crammed on to or into their homes.

These days the east European Jews are often extolled as model immigrants, in contradistinction to the feckless hordes that followed them. But most people's perceptions of them were very different when they first arrived.

The Jews had one main advantage over some later arrivals: they were white. At first, that availed them little. As the Ripper murders of 1888 illustrated, they were convenient scapegoats for the ills of their adopted city. Jack (“the Ripper”) met some of his victims at the Ten Bells pub, at the other end of Fournier Street from what is now the mosque, and opposite Christ Church. He attributed his handiwork to “the Juewes” in graffiti scrawled near the scene of his fifth evisceration (the scribble was removed by the police lest it ignite a pogrom). The Huguenots, it was agreed, had been “profitable strangers”; but the Jews stole the natives' jobs and, at the same time (an impressive trick), were a burden on the rates. They were “flotsam” and “vermin”, as well as “scum”. Their admission made Britain a laughing-stock. The strength of these feelings led, in 1905, to a law restricting immigration, the ancestor of the stricter ones in place today.

Beggars and barbarians

There were also divisions within the Jewish community: between bosses and the workers who plotted in the pubs of Brick Lane, as journeymen weavers had done 200 years previously; between sub-groups of Litvaks, Galizianers, Romanians and Polacks; and between believers and atheists. A two-day riot took place in 1904 after Jewish radicals invited the rabbis to a concert on the Day of Atonement, provoking worshippers in the Brick Lane synagogues by smoking and brandishing ham sandwiches. There were also tensions between the old, established Jewish families and the newcomers. As one of the new arrivals put it, the “English” Jews thought of their co-religionists as “ignorant beggars, as barbarians, who must be civilised through Sabbath sermons, soup kitchens and such like”. For their part, the devout immigrants considered the English Jews doctrinally lax to the point of apostasy.

This hostility led to the next mutation of the Neuve Eglise. In 1891 the Machzike Hadath (“Upholders of the Law”) Society was formed to promote religious orthodoxy. In 1895 its members occupied the schoolhouse adjoining the Fournier Street chapel, a house that, since the Wesleyans left, had become “a

common lodging-house, and the resort of thieves". In 1898 they moved into the church itself, marching down Brick Lane in procession with their scrolls and a band. They reorganised the pews around a central prayer platform, and made a shrine on the eastern wall. The organ, which had been given to the Huguenots by George III, was removed. The building became known as the Spitalfields Great Synagogue. The piety of its congregation was proverbial.

In time, the Jews, like the Huguenots, left Spitalfields for less cramped parts of London. Most who had not gone already were bombed out by the Luftwaffe. The Spitalfields Great Synagogue was damaged, then done up, but by the 1970s it had fallen into disrepair. It seemed it might be demolished or—against the Huguenots' wishes—become a theatre. Then, in 1976, it was bought for the Bangladeshi community by the Jame-e-masjid Trust.

London's Bangladeshis form one of the largest minority groups in the capital, and one of the oldest. Like the Jews, its earliest members arrived by boat. Sailors from the Indian subcontinent, some of them from the region that is now Bangladesh, were recruited by the East India Company from the early 18th century. Some jumped ship in the London docks; a few later found work and lodgings with the Jews of Spitalfields. More came during the world wars.

But the big boom in Bangladeshi migration—mostly from the eastern Sylhet region—came in the 1950s and early 1960s. Though natural disasters and political instability played a part, the influx was driven more by economics than were the Huguenot and Jewish ones. Families or small villages pooled resources to send a young man to the *bidesh* (foreign land). Villages that prospered through their remittances became known as *Londoni*. The advent of new immigration rules in 1962 induced a last-chance rush; since then more Bangladeshis have come to join (or marry) those already in London. Like the Huguenots and Jews, the Bangladeshis started work mainly in textiles—at first in the rug trade, later in leather and suede—and sewing machines once again hummed in the Spitalfields sweatshops.

Tower Hamlets, the borough that now contains Spitalfields, plays host to the largest community of Bangladeshis outside their native country. The streets around Brick Lane once known as "Petty France", then as the "ghetto", now comprise "Banglatown". In place of the kosher butchers, fish-fryers, boot-makers, furriers and tailors who lined Brick Lane itself a century ago, and the weavers and cheese-makers of Huguenot days, there are now sari centres, halal restaurants and vendors of exotic produce. And at the corner of Fournier Street stands the Jame-e-masjid mosque.

Apart from a sign in Arabic, Bengali and English, the building's exterior looks much the same as ever. Inside, things are different. The gallery in which Jewish women once prayed behind lace curtains has been removed, and another floor installed. (A plan to add a minaret was scotched by the local council.) Except for its chandeliers and the ornate carving around its doors, the main prayer hall is much more austere than in its Christian and Jewish phases. A Hebrew plaque outside one of the upstairs classrooms, now used by the *madrassa* (Islamic school), is the only reminder of the Jewish occupants. The church minister's house next door is home to the Bangladesh Welfare Association. The defunct Soup Kitchen for the Jewish Poor is round the corner.

The same again, but different

The Bangladeshis have the disadvantages of being neither white nor Christian. Like the Huguenots and Jews before them, they have been lambasted for stealing jobs, poor hygiene, monopolising housing and spongeing from the state. In 1993 a racist councillor (slogan: "Do you want to end up like Brick Lane?") was elected nearby, and his supporters rampaged through the streets in celebration.

The Bangladeshi experience has also been affected by the fact that, like some Huguenots, many of the first arrivals from Sylhet intended to go home once their fortunes were made. Compared with other immigrants, they have rarely married outside the community and have stuck together geographically, suffering grave poverty and unemployment.

The world, however, has come to them. Because the area's poverty has inhibited redevelopment, the streets around the mosque now comprise one of the best-preserved Georgian enclaves in London. This architectural time-warp has attracted well-heeled artists and yuppies, and some of the old silk-weavers' lofts are now pricey apartments. Meanwhile, like the adventurous Victorians who used to day-trip to the Jewish ghetto, visitors now flock to Brick Lane. Bangladeshi entrepreneurs have tarted up their restaurants to provide them with sustenance.

Because it is a human entrepot, Spitalfields remains one of London's poorest and most conservative districts; but now, for the same reason, it is also among the hippest. When old men in traditional dress congregate beneath the mosque's prophetic sundial, immodestly clad young women weave between them.

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About sponsorship

Coffee-houses

The internet in a cup

Dec 18th 2003

Bridgeman

Coffee fuelled the information exchanges of the 17th and 18th centuries

WHERE do you go when you want to know the latest business news, follow commodity prices, keep up with political gossip, find out what others think of a new book, or stay abreast of the latest scientific and technological developments? Today, the answer is obvious: you log on to the internet. Three centuries ago, the answer was just as easy: you went to a coffee-house. There, for the price of a cup of coffee, you could read the latest pamphlets, catch up on news and gossip, attend scientific lectures, strike business deals, or chat with like-minded people about literature or politics.

The coffee-houses that sprang up across Europe, starting around 1650, functioned as information exchanges for writers, politicians, businessmen and scientists. Like today's websites, weblogs and discussion boards, coffee-houses were lively and often unreliable sources of information that typically specialised in a particular topic or political viewpoint. They were outlets for a stream of newsletters, pamphlets, advertising free-sheets and broadsides. Depending on the interests of their customers, some coffee-houses displayed commodity prices, share prices and shipping lists, whereas others provided foreign newsletters filled with coffee-house gossip from abroad.

Rumours, news and gossip were also carried between coffee-houses by their patrons, and sometimes runners would flit from one coffee-house to another within a particular city to report major events such as the outbreak of a war or the death of a head of state. Coffee-houses were centres of scientific education, literary and philosophical speculation, commercial innovation and, sometimes, political fermentation. Collectively, Europe's interconnected web of coffee-houses formed the internet of the Enlightenment era.

The great soberer

Coffee, the drink that fuelled this network, originated in the highlands of Ethiopia, where its beans were originally chewed rather than infused for their invigorating effects. It spread into the Islamic world during the 15th century, where it was embraced as an alternative to alcohol, which was forbidden (officially, at least) to Muslims. Coffee came to be regarded as the very antithesis of alcoholic drinks, sobering rather than intoxicating, stimulating mental activity and heightening perception rather than dulling the senses.

This reputation accompanied coffee as it spread into western Europe during the 17th century, at first as a

medicine, and then as a social drink in the Arab tradition. An anonymous poem published in London in 1674 denounced wine as the “sweet Poison of the Treacherous Grape” that drowns “our Reason and our Souls”. Beer was condemned as “Foggy Ale” that “besieg'd our Brains”. Coffee, however, was heralded as

> ...that Grave and Wholesome Liquor,
> that heals the Stomach, makes the Genius quicker,
> Relieves the Memory, revives the Sad,
> and cheers the Spirits, without making Mad.

The contrast between coffee and alcoholic drinks was reflected in the decor of the coffee-houses that began to appear in European cities, London in particular. They were adorned with bookshelves, mirrors, gilt-framed pictures and good furniture, in contrast to the rowdiness, gloom and squalor of taverns. According to custom, social differences were left at the coffee-house door, the practice of drinking healths was banned, and anyone who started a quarrel had to atone for it by buying an order of coffee for all present. In short, coffee-houses were calm, sober and well-ordered establishments that promoted polite conversation and discussion.

With a new rationalism abroad in the spheres of both philosophy and commerce, coffee was the ideal drink. Its popularity owed much to the growing middle class of information workers—clerks, merchants and businessmen—who did mental work in offices rather than performing physical labour in the open, and found that coffee sharpened their mental faculties. Such men were not rich enough to entertain lavishly at home, but could afford to spend a few pence a day on coffee. Coffee-houses provided a forum for education, debate and self-improvement. They were nicknamed “penny universities” in a contemporary English verse which observed: “So great a Universitie, I think there ne'er was any; In which you may a Scholar be, for spending of a Penny.”

“At the Café de Foy someone said that the king had taken a mistress...that she was a beautiful woman, the niece of the Duc de Noailles,” reads one report from the 1720s

As with modern websites, the coffee-houses you went to depended on your interests, for each coffee-house attracted a particular clientele, usually by virtue of its location. Though coffee-houses were also popular in Paris, Venice and Amsterdam, this characteristic was particularly notable in London, where 82 coffee-houses had been set up by 1663, and more than 500 by 1700. Coffee-houses around the Royal Exchange were frequented by businessmen; those around St James's and Westminster by politicians; those near St Paul's Cathedral by clergymen and theologians. Indeed, so closely were some coffee-houses associated with particular topics that the *Tatler*, a London newspaper founded in 1709, used the names of coffee-houses as subject headings for its articles. Its first issue declared:

> All accounts of Gallantry, Pleasure, and Entertainment shall be under the Article of White's Chocolate-house; Poetry, under that of Will's Coffee-house; Learning, under...Grecian; Foreign and Domestick News, you will have from St James's Coffee-house.

Richard Steele, the *Tatler*'s editor, gave its postal address as the Grecian coffee-house, which he used as his office. In the days before street numbering or regular postal services, it became a common practice to use a coffee-house as a mailing address. Regulars could pop in once or twice a day, hear the latest news, and check to see if any post awaited them. That said, most people frequented several coffee-houses, the choice of which reflected their range of interests. A merchant, for example, would generally oscillate between a financial coffee-house and one specialising in Baltic, West Indian or East Indian shipping. The wide-ranging interests of Robert Hooke, a scientist and polymath, were reflected in his visits to around 60 coffee-houses during the 1670s.

As the *Tatler*'s categorisation suggests, the coffee-house most closely associated with science was the Grecian, the preferred coffee-house of the members of the Royal Society, Britain's pioneering scientific institution. On one occasion a group of scientists including Isaac Newton and Edmund Halley dissected a dolphin on the premises. Scientific lectures and experiments also took place in coffee-houses, such as the Marine, near St Paul's, which were frequented by sailors and navigators. Seamen and merchants realised that science could contribute to improvements in navigation, and hence to commercial success, whereas the scientists were keen to show the practical value of their work. It was in coffee-houses that commerce and new technology first became intertwined.

The more literary-minded, meanwhile, congregated at Will's coffee-house in Covent Garden, where for three decades the poet John Dryden and his circle reviewed and discussed the latest poems and plays.

Samuel Pepys recorded in his diary on December 3rd 1663 that he had looked in at Will's and seen Dryden and “all the wits of the town” engaged in “very witty and pleasant discourse”. After Dryden's death many of the literatured shifted to Button's, which was frequented by Alexander Pope and Jonathan Swift, among others. Pope's poem “The Rape of the Lock” was based on coffee-house gossip, and discussions in coffee-houses inspired a new, more colloquial and less ponderous prose style, conversational in tone and clearly visible in the journalism of the day.

It was in coffee-houses that commerce and new technology first became intertwined

Other coffee-houses were hotbeds of financial innovation and experimentation, producing new business models in the form of innumerable novel variations on insurance, lottery or joint-stock schemes. The best-known example was the coffee-house opened in the late 1680s by Edward Lloyd. It became a meeting-place for ships' captains, shipowners and merchants, who went to hear the latest maritime news and to attend auctions of ships and their cargoes. Lloyd began to collect and summarise this information, supplemented with reports from a network of foreign correspondents, in the form of a regular newsletter, at first handwritten and later printed and sent to subscribers. Lloyd's thus became the natural meeting place for shipowners and the underwriters who insured their ships. Some underwriters began to rent booths at Lloyd's, and in 1771 a group of 79 of them collectively established the Society of Lloyd's, better known as Lloyd's of London.

Similarly, two coffee-houses near London's Royal Exchange, Jonathan's and Garraway's, were frequented by stockbrokers and jobbers. Attempts to regulate the membership of Jonathan's, by charging an annual subscription and barring non-members, were successfully blocked by traders who opposed such exclusivity. So in 1773 a group of traders from Jonathan's broke away and decamped to a new building, the forerunner of the London Stock Exchange. Garraway's was a less reputable coffee-house, home to auctions of all kinds and much dodgy dealing, particularly during the South Sea Bubble of 1719-21. It was said of Garraway's that no other establishment “fostered so great a quantity of dishonoured paper”.

Far more controversial than the coffee-houses' functions as centres of scientific, literary and business exchange, however, was their potential as centres of political dissent. Coffee's reputation as a seditious beverage goes back at least as far as 1511, the date of the first known attempt to ban the consumption of coffee, in Mecca. Thereafter, many attempts were made to prohibit coffee and coffee-houses in the Muslim world. Some claimed it was intoxicating and therefore subject to the same religious prohibition as alcohol. Others claimed it was harmful to the health. But the real problem was the coffee-houses' alarming potential for facilitating political discussion and activity.

This was the objection raised in a proclamation by Charles II of England in 1675. Coffee-houses, it declared, had produced

> very evil and dangerous effects...for that in such Houses...divers False, Malitious and Scandalous Reports are devised and spread abroad, to the Defamation of His Majestie's Government, and to the Disturbance of the Peace and Quiet of the Realm.

The result was a public outcry, for coffee-houses had become central to commercial and political life. When it became clear that the proclamation would be widely ignored and the government's authority thus undermined, a further proclamation was issued, announcing that coffee-sellers would be allowed to stay in business for six months if they paid £500 and agreed to swear an oath of allegiance. But the fee and time limit were soon dropped in favour of vague demands that coffee-houses should refuse entry to spies and mischief-makers.

Dark rumours of plots and counter-plots swirled in London's coffee-houses, but they were also centres of informed political debate. Swift remarked that he was “not yet convinced that any Access to men in Power gives a man more Truth or Light than the Politicks of a Coffee House.” Miles's coffee-house was the meeting-place of a discussion group, founded in 1659 and known as the Amateur Parliament. Pepys observed that its debates were “the most ingeniose, and smart, that I ever heard, or expect to heare, and bandied with great eagernesse; the arguments in the Parliament howse were but flatte to it.” After debates, he noted, the group would hold a vote using a “wooden oracle”, or ballot-box—a novelty at the time.

Sweet smell of sedition

The contrast with France was striking. One French visitor to London, the Abbé Prévost, declared that

coffee-houses, “where you have the right to read all the papers for and against the government”, were the “seats of English liberty”. Coffee-houses were popular in Paris, where 380 had been established by 1720. As in London, they were associated with particular topics or lines of business. But with strict curbs on press freedom and a bureaucratic system of state censorship, France had far fewer sources of news than did England, Holland or Germany. This led to the emergence of handwritten newsletters of Paris gossip, transcribed by dozens of copyists and sent by post to subscribers in Paris and beyond. The lack of a free press also meant that poems and songs passed around on scraps of paper, along with coffee-house gossip, were important sources of news for many Parisians.

Little wonder then that coffee-houses, like other public places in Paris, were stuffed with government spies. Anyone who spoke out against the state risked being hauled off to the Bastille, whose archives contain reports of hundreds of coffee-house conversations, noted down by informers. “At the Café de Foy someone said that the king had taken a mistress, that she was named Gontaut, and that she was a beautiful woman, the niece of the Duc de Noailles,” runs one report from the 1720s. Another, from 1749, reads, “Jean-Louis Le Clerc made the following remarks in the Café de Procope: that there never has been a worse king; that the court and the ministers make the king do shameful things, which utterly disgust his people.”

Despite their reputation as breeding-grounds for discontent, coffee-houses seem to have been tolerated by the French government as a means of keeping track of public opinion. Yet it was at the Café de Foy, eyed by police spies while standing on a table brandishing two pistols, that Camille Desmoulins roused his countrymen with his historic appeal—“*Aux armes, citoyens!*”—on July 12th 1789. The Bastille fell two days later, and the French revolution had begun. Jules Michelet, a French historian, subsequently noted that those “who assembled day after day in the Café de Procope saw, with penetrating glance, in the depths of their black drink, the illumination of the year of the revolution.”

Those “who assembled day after day in the Café de Procope saw, with penetrating glance, in the depths of their black drink, the illumination of the year of the revolution”

Can the coffee-houses' modern equivalent, the internet, claim to have had such an impact? Perhaps not. But the parallels are certainly striking. Originally the province of scientists, the internet has since grown to become a nexus of commercial, journalistic and political interchange.

In discussion groups and chatrooms, gossip passes freely—a little too freely, think some regulators and governments, which have tried and generally failed to rein them in. Snippets of political news are rounded up and analysed in weblogs, those modern equivalents of pamphlets and broadsides. Obscure scientific and medical papers, once available only to specialists, are just clicks away; many scientists explain their work, both to their colleagues and to the public at large, on web pages. Countless new companies and business models have emerged, not many of them successful, though one or two have become household names. Online exchanges and auction houses, from eBay to industry-specific marketplaces, match buyers and sellers of components, commodities and household bric-à-brac.

Coffee, meet WiFi

The kinship between coffee-houses and the internet has recently been underlined by the establishment of wireless “hotspots” which provide internet access, using a technology called WiFi, in modern-day coffee-shops. T-Mobile, a wireless network operator, has installed hotspots in thousands of Starbucks coffee-shops across America and Europe. Coffee-shop WiFi is particularly popular in Seattle—home to both Starbucks and such leading internet firms as Amazon and Microsoft.

Such hotspots allow laptop-toting customers to check their e-mail and read the news as they sip their lattes. But history provides a cautionary tale for those hotspot operators that charge for access. Coffee-houses used to charge for coffee, but gave away access to reading materials. Many coffee-shops are now following the same model, which could undermine the prospects for fee-based hotspots. Information, both in the 17th century and today, wants to be free—and coffee-drinking customers, it seems, expect it to be.

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About sponsorship

French humour

Very droll

Dec 18th 2003

Corbis

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The French have jokes, but do they have a sense of humour?

> 'Baron, how did you find the English?
> 'Very distracting. They have a form of conversation
> called humour, which makes everyone laugh a lot.'
> ‘Humour—is this like esprit?'
> ‘No, not really.'
> ‘But then how do you translate it?'
> ‘Well, I can't. We in France don't have a word for it.'

This scene in the film “Ridicule”, by Patrice Leconte, shows a marquis at the court of Louis XVI in Versailles telling other courtiers and their crinolined companions about his discovery of humour during a trip to England. He tries to illustrate this peculiar phenomenon by telling a joke he has heard in England. No one laughs until another courtier adds a witty, slightly dirty remark to the English joke.

Does humour exist in France? Before the French revolution of 1789, the word *humour* was hardly known. People knew *esprit* (wit), *farce* (prank), *bouffonnerie* (drollery) and *humeur* (a state of mind, or mood), but not humour. Only in 1878 did the French Academy, the institution that stands guard over the French language, accept *humoristique* as a French word. A year later Edmond de Goncourt used *humour* without italics as a French word in his novel “Les Frères Zemganno”, but not until 1932 did the academicians give their approval to the noun *humour*.

Writers and intellectuals musing about English humour searched for an equivalent in France. François Marie Arouet de Voltaire, France's best-known writer in the 18th century, tells the Abbot d'Olivet in a letter in 1762 that the English pronounce humour *yumor*, and think they are the only ones to have a term to express that state of mind. Madame de Staël, the daughter of Jacques Necker, a finance minister of Louis XVI, wrote in a discourse on literature: “The English language created a word, humour, to express a hilarity, which is in the blood almost as much as in the mind ...What the English depict with great talent is bizarre characters, because they have lots of those amongst them.”

Caricature, yes, and satire too

When Goncourt used the word humour in 1879, he was discussing caricaturists. This was the year of the death of Honoré Daumier, the caricaturist who had become famous all over France after being sentenced to six months in jail for his depiction of King Louis-Philippe d'Orléans as Rabelais's gluttonous giant Gargantua. Daumier's works—"Memories" is reproduced on the left—were published weekly in *La Caricature*, until the government prohibited political caricature in 1835.

With Daumier, Charles Joseph Traviès, Henry Monnier, Gavarni and later Grandville, Cham and Gustave Doré, French caricature had its golden age in the 19th century. These caricaturists had a field day during the four years of the ephemeral Second Republic after the 1848 revolution, when they were able to make fun of Louis-Philippe without risking jail. Even under Napoleon III they could get away with most of their satirical sketches about the Parisian bourgeoisie, the armed forces or bouffant-haired ladies and mean landlords. During France's wars in the Crimea (1853-56), with Austria (1859) and, most notably, with Prussia in 1870, the country's caricaturists became fiercely chauvinistic. A favourite target of Daumier's pen was Germany's chancellor, Otto von Bismarck, and his spiked helmet.

To this day *l'humour engagé*—political satire and caricature—features prominently in France. Comic films and plays are either farcical or witty, with plenty of wordplays and rapid-fire verbal exchanges. But humour, in the English sense, remains an alien concept.

One of the fiercest critics of the government, "Les Guignols de l'Info" ("The News Puppets"), a daily television programme similar to Britain's satirical "Spitting Image", is a huge success. "Les Guignols" has become sharper, even crueller, since it started in 1988. Hardly anything is taboo now. *Supermenteur* ("Superliar"), President Jacques Chirac's alter ego, is a particular favourite. In the following exchange he is pondering Mr Chirac's legal difficulties:

> 'I have found a solution! I will kill the judge so I will be left alone.'
> 'But, Monsieur le président, they will find another judge.'
> 'Damn, I didn't think of that. Well, I will kill all of France's judges, the entire profession. I have enough time. A judge is like a tree, you need 30 years to grow another one. By the time they've grown new judges I will be as old as Pinochet and they will let me off for ill health.'

"Les Guignols" has felt obliged to apologise only a few times—once to Mr Chirac's wife, Bernadette, whom it had portrayed masturbating with her handbag.

Le Canard enchaîné, a satirical weekly, is equally feared by politicians and public personalities because of its investigative journalism and trenchant wit. *Charlie Hebdo* (Charlie Brown of the Peanuts cartoon strip was godfather to the magazine) and *Hara-kiri hebdo*, two satirical weeklies launched in 1969, are competing on the same ground. *Hara-Kiri*, which was created in 1960 as a monthly French version of *Mad,* an American satirical magazine, was twice censored by the government before its relaunch as a weekly. It has absorbed *La Grosse Bertha,* another satirical magazine that was launched in 1991 during the first Gulf war. *Charlie Hebdo* went bust in 1981, just after supporting Coluche, a comedian, in his bid for the presidency. It was relaunched ten years later.

None of these magazines can boast a political caricaturist as well known in France as Jean Plantureux, or Plantu. A satirical cartoon by Plantu—like the one on the right—has been on the front page of *Le Monde*, France's pre-eminent daily, for the past 20 years. Plantu used to pick his subject himself, but Edwy Plenel and Jean-Marie Colombani, who took over as the paper's editors in 1994, made him give up the right to choose his topic in 1995; now it is always the main story of the day. Earlier this year Plantu vehemently clashed with his bosses over a sketch (posted on his website) that showed Plantu's trademark mouse gagged while reading "La Face Cachée du Monde" ("The Hidden face of *Le Monde*"), a best-selling polemic about the editors' arrogance and abuses in their quest for political power.

"We still have the naivety to believe in certain things," says Plantu. "We do not have the detachment that characterises English humour, we are more militant. If we have a cause to protest, however minor, we tear open our shirts, run into the street and shout 'Shoot me!'"

Farci de farces

If the Latin emotions of the French sit uneasily with humour, so does the French logical mind. French

children are instilled with Cartesian *esprit* (here meaning mind) at school and, even more, in the *grandes écoles*, the country's elite universities. When your correspondent was at university in France, she was told her poor performance was due to an Anglo-Saxon mind that made her unable to think properly, or rather logically. A French Cartesian mind does not know what to make of a nonsensical story, such as this one. “The governor of the Bank of England began an address to an assembly of bankers with these words: ‘There are three kinds of economists, those who can count and those who can't.'” A joke of this kind would be met with incomprehension by French listeners. It is not logical.

Self-deprecation, another essential ingredient of a “detached” sense of humour, is not the forte of the French. But if France is too emotional, too logical or too unsure of itself for humour, it can at least fall back on farce as a way of releasing the emotions. The French love Jerry Lewis, the American they call *le roi du crazy*; he has even been awarded the Legion of Honour, the country's highest decoration. And of course France produces its own farces. One of the best-loved of recent years is the at times heavy-handed film “Le Père Noël est une Ordure” (“Father Christmas is a Shit”), directed by Jean-Marie Poiré. It shows Pierre and Thérèse, staffers at a charity, manning the telephones on Christmas Eve to help callers in despair. Zézette, a pregnant woman, arrives at the office, fleeing her violent husband, Félix, who is close behind her. Félix, still wearing his working clothes as Father Christmas, is subdued by Pierre and Thérèse and ends up in hospital. The second visitor at the office is Katia, a manic-depressive transvestite in search of Mr or Miss Right. The ensuing series of catastrophes reaches its climax when Félix returns with a gun, a lift repairman is killed, Pierre loses his virginity to Thérèse, and Félix and Zézette dispose of the dead repairman.

“Le Père Noël est une Ordure” was a big hit in France, but flopped elsewhere, especially in America, where “Santa Claus is a Louse”, as it was called, bombed. So did Mr Poiré's next film, “The Visitors”, another farce, this one about medieval life, which also won a cult following in France.

Why do French comic films not travel well when those made in Britain or America—whether by Woody Allen, John Cleese or the Monty Python team—seem to make people laugh all over the world? One answer, perhaps, is that audiences in other countries simply do not have the French fondness of puerile farce. Another, though, may be that the things that make the French laugh involve linguistic somersaults that only work in their own language. Much of French humour is *jeux des mots*, untranslatable wordplays.

Cartoons are an exception. French-made cartoons and illustrated stories are a huge success worldwide. René Goscinny and Albert Uderzo created Astérix, one of the most successful cartoons ever. They are also the fathers of Lucky Luke. And Jean-Jacques Sempé and Mr Goscinny together created a series of books about the adventures of a little boy, *le pétit Nicolas*.

Je dis, je dis! Bien je jamais!

A meeting organised by the French Ethnological Society in 1997 about “The Universe of Astérix” found that probably the most successful French cartoon was translated into 72 languages, five regional languages (such as Corsican and Alsatian) and 18 dialects, including Berliner German and Cantonese Chinese. Yet the cartoon's jokes were hard work for translators. Much of the humour in Astérix consists of wordplays, onomatopoeia and animal noises that are impossible to render in another language. Translators tended to leave onomatopoetic expressions like *snip*, *tchac, paf* or *tchac* in the original, though they mean nothing in Cantonese or Swedish. The cartoon's text also makes frequent use of the French language's countless homonyms such as *la tribu* (the tribe) and *l'attribut* (the attribute), or *ma reine* (my queen) and *marraine* (godmother). They generally have no equivalent in other languages, so the joke is lost.

The translation of “Astérix chez les Bretons” was particularly difficult, says Henriette Touillier-Feyrabend of the National Centre for Scientific Research, as its humour depended on using English grammar in French. Astérix and his companions would, for instance, look for the *magique potion's tonneau* (the magic potion's cask) rather than *le tonneau de la potion magique*.

Yet, despite translators' best efforts, a *mésentente cordiale* remains when it comes to funniness. At the end of the film “Ridicule”, mentioned at the start of this article, the hat of the Marquis de Bellegarde is blown away by the wind. Interrupting his lamentations, an English lord (who has caught the hat) remarks that it is better than losing one's head. Ah, cries Bellegarde, this is English humour!

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About sponsorship

Latin today

Roman rebound

Dec 18th 2003

So you thought that irksome language was dead?

TO SCARY music, a furtive Jewish nationalist of the first century paints on a wall the words *Romanes Eunt Domus*. A centurion enters:

> Centurion: What's this, then? ? 'People called Romanes they go the house?'
> Nationalist: It—it says, 'Romans, go home'.
> Centurion: No, it doesn't. 'Go home'? This is motion towards. Isn't it, boy?
> Nationalist (being savagely beaten): Ah. Ah, dative, sir! Ahh! No, not dative! Not the dative, sir! No! Ah! Oh, the...accusative! *Domum*, sir! Ah! Oooh! Ah!
> Centurion: Except that takes the...?
> Nationalist: The locative, sir!

The scene, from "Monty Python's Life of Brian", marked the apotheosis of Latin in film—until last March. At that point Mel Gibson, star-turned-director, announced that his new film "The Passion", about the last hours of Christ, would be made entirely in Latin and Aramaic. At first, the hero of "Thunderdome" and "Lethal Weapon" did not even want subtitles. When he realised that audiences needed to know, just roughly, what the characters were saying, he reluctantly backed down.

The *milites*[1] in their caligae[2] are now being coached in barrack-room conjugations by Father William Fulco, a professor at Loyola Marymount University in Los Angeles. They are taking to it quickly, he says; sometimes too quickly, with a steep slide into Italian-waiter accents. Italian is in fact his rough guide for pronunciation of first-century Latin, about which there is much debate. Subtitles will still be waived for soldier-talk, which Father Fulco has derived from graffiti found in Roman camps. You could argue, as he does, that Greek would often be more appropriate, and that the conscripted troops in Judea spoke little Latin. But, as the language of an oppressive superpower, Latin can't be beat.

As for Mr Gibson, he positively brags about making a film "in two dead languages". Not dead enough, some may think, remembering tear-stained sessions with Sallust and those cloth-bound small books, blotted with blue ink, in which scouts were forever crossing rivers and winter camps being struck. No wonder the world has galloped so gratefully to English, which has little use for genders or gerunds and never, if it will have been able to help it, employs the future perfect.

Yet hold on a minute (*festina lente*, as Caesar would have said, while gripping some hapless Gaul by the neck). Latin has a surprising number of advocates in the modern world. And these are not merely classicists or arty types entranced by the glories of Virgil, the cockiness of Catullus or the breathtaking fall of the rhythms and words of Horace. They are people who believe Latin has a future, as well as a past.

Totium orbium lingua[3]

Latin was, after all, the original world language—and not just up to the moment the Vandals carbonised Rome, but long afterwards. In early 16th-century Europe rulers and ambassadors still corresponded in Latin, forming thereby a common cultural web that brought Europe closer together than at any time since. Ordinary people, too, still used Latin as the warp and weft of their prayers, and carried Latin primers round with them. Despite the inexorable advance of the vernacular, Latin was alive and routine among the literate.

Deep into the next two centuries, too, it remained the preferred language of philosophy and science. This was not just because it crossed borders, but because it kept an antique purity. While mongrel English found its words encumbered with changing meanings, Latin preserved a precision that scientists increasingly needed. The deeper Isaac Newton went into formulations of physical laws, the more he wrote his notes in Latin, the closest approach in words to the utter directness of mathematical symbols.

Modern-day champions of Latin make a special point of both these qualities: universality and purity. No matter that Latin, in the last decades of its heyday, was as dog-eared and scatty as any other well-used language, and that the Latin of the street (or, for that matter, the walls) often ignored the rules. This is still a language of striking conciseness and clarity, with the added bonus of a sort of timeless abstraction. To read a news story in Latin is to set it *sub specie aeternitatis*[4] indeed, its importance or triteness brightly exposed by the translucence of the words.

Small wonder then, that some people still prefer their news in Latin, and that the centre of Latin news broadcasting nowadays should be Finland, a country of translucent birches, lakes and blondes, and with a language the opposite of universal. The Finnish Broadcasting Company (aka Radiophonia Finnica Generalis, or YLE) puts out a five-minute bulletin, “Nuntii Latini”, every week, and has done so for 14 years. The bulletins are broadcast worldwide, and are also collected and published as books. The conjunction of Latin with Finno-Ungaric makes for some bizarre listening and reading, as in

> Anneli Jäätteenmäki, quae munere ministri primarii a mense Aprili functa est, a praesidente Tarja Halonen dimissionem petivit et accepit.[5]

But people in more than 50 countries, from East Timor to Uruguay, are tuning in, sending Latin letters of appreciation and begging for ancient Greek.

For these listeners, “Nuntii Latini” is not only a lifeline but a repository of proper usage. *Pace* the French Academy, no language is more closely guarded or monitored than a supposedly dead one. Each expert believes himself privy to the real sound and oratorical shape of the Latin Cicero spoke, perhaps forgetting that the pronunciation of even 15th-century English still divides the scholars. Latin websites—dozens of them, at the last count, including Latinteach.com (“Where Latin teachers meet in cyberspace”)—feature loving translations of Dr Seuss's “Quomodo Invidiosulus Nomine Grinchus Christi Natalem Abrogaverit”[6] and show the most tender care for third-declension loan-words. One-upmanship, too, goes with the territory. Ever since last July, when a bit of scatological Latin strayed into the pages of *Private Eye*, a British satirical magazine, delighted letters have poured in about the applicability of the genders of *nauta* (sailor, masculine, feminine form) and *bollocae* (guess).

If Latin, spoken or written, is ever to catch on again, perhaps it needs justifying. Among the XVIII slightly desperate reasons for learning Latin to be found on Latinteach.com, the most attractive is “Explain the passive periphrastic to your significant other,” and the most topical, “Learn to conquer the world and claim it was self-defence.” Or perhaps, discarding justification, the language just needs modernising. Henry Beard's handy little tome, “Latin for All Occasions”, is designed to recycle old Latin tags for the present time. (Eg, *rara avis*: There is no car hire available[7].) Many have pointed out that “Been there, done that”, was originally coined by Caesar when he proclaimed *Veni, vidi, vici*[8], though he did not wear the T-shirt.

Others are trying a serious and comprehensive updating. David Theodore Stark has devised what he calls Latino Moderne, a version that strays close both to modern Italian and to Esperanto. It has the letters k and w in it, as well as a definite article, *le*, which is "correct for all cases, genders and numbers". It dispenses with gender anyway: "All nouns are considered neuter unless they refer to things that are actually masculine or feminine (such as men or women). In poetry, this rule may be relaxed." The sentence structure, too, follows modern English or French, hence *le homine ambulava inar le domo*, "The man walked into the house". Verb endings become rather Spanish. The whole website primer is pleasingly free of consuls and verbs of killing; it is recommended for international businessmen. But the conditional and the gerundive have by no means been banished outright.

In Vaticano claritas[9]

Purists, of course, abhor the very thought of simplifying, and nowhere more fiercely than in that last redoubt of living Latin, the Vatican. All official papal documents are redacted in Latin. The language, naturally, cannot easily express modern concepts and things: for popes, that is part of its charm. But in Rome the challenge is not to chop and squeeze the language into new shapes, but to translate modern words into the full, but precise, complexity that Latin requires. Every Thursday, a five-man team meets to argue it out. And it is somehow heartening to discover, as supposedly serious people wage the war on terror or struggle to mend the world economy, that some others spend their working hours deciding that the Latin for "hot dog" should be *pastillum botello fartum*[10]. (Which encyclical was that again?)

The result of their labours is the new "Lexicon Recentis Latinitatis". At £70 ($116) for 700 pages, and with Italian, rather than English, as its second language, this is not a volume for the ordinary bedside table. Nor do the Latinised phrases always trip off the tongue. *Universalis destructionis armamenta* is thunderingly good for "weapons of mass destruction", and even harder to lose in the sand-drifts of Iraq; *conformitatis osor*, a hater of conformity, is a nice turn for "hippie", while *benzini aerisque migma*, for carburettor, gives the magic impression that air mixed with benzene might make you fly. But *tempus maximae frequentiae* is far too elegant for "rush hour", while *iazensis musica* (jazz) bears in that "z" the whiff of falsehood.

Latin's greatest virtue, its conciseness, is too often betrayed by stretching it instead. Thus *vesticula balnearis Bikiniana* (a little bathing garment from Bikini) becomes sadly unskimpy, and *sonorarum visualiumque taeniarum cistellula* (a little box of ribbons of sounds and sights) does over-fussy duty for a videocassette. Other words are instantly fossilised when Latinised. Crisps are *globuli solaniani*, "circular forms of a plant of the deadly nightshade family", or salty oblivion in a bag. A boy scout is *puer explorator*, surely a useful little slave with a sling and pebbles, rather than a lad in shorts with a penknife.

The front-man of the translating team also cuts a surprising figure. He is an American Carmelite priest, Reginald Foster, Latin's loudest advocate in the modern world. Bumptious, bespectacled, in overalls and from Milwaukee, he is so devoted to Latin that he greets visitors with "*Ave!*" and is renowned for speaking not just the classical version, but the Carolingian and the medieval, if asked. For more than 30 years—chalk in one hand, wineglass in the other—he has conducted a Latin summer school in Rome, holding many classes *sub arboribus*[11] in the conversational style of the ancient world. His students have been seen in Pompeii, reading Pliny's letters aloud as they stroll the streets, and at the Fons Bandusia near Rome, pouring wine into the water while reciting Horace. Year by year his classes grow more popular, though you need to be well past *amo*[12] and *fundus*[13] to apply.

As Father Foster himself admits, shaping Latin to the modern world is not the way to save it. His massive dictionary is something of a game, when all is said, as are the tourist phrasebooks and the Finnish broadcasts. Latin's salvation—or, at least, the key to its preservation—lies in the glory of its literature, and in the eagerness of devotees to bring others to it. Father Foster plays his part magnificently in that. But alas, for all the colour and comic-strip fun of modern Latin textbooks, there is no way to the literature that does not go *via*[14] the horrible wild places where ablatives and gerunds live.

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1 soldiers; 2 boots; 3 a world language; 4 in the context of eternity; 5 AJ, who has held the post of prime minister since April, submitted her resignation to President TH, which he accepted; 6 "How the Grinch Stole Christmas"; 7 rightly, "a rare bird"; 8 I came, I saw, I conquered; 9 light from the Vatican; 10 a little roll stuffed with sausage; 11 under the trees; 12 I love; 13 farm; 14 by way of

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About sponsorship

Political dynasties

Born to rule

Dec 18th 2003

Is politics in the blood, or in the genes?

WHICH is the odd one out: Benazir Bhutto, Lester Bird, Tony Blair or George Bush? The correct answer here is Tony Blair: he is the only one to have become the head of his country's government without a father who had done so earlier. None of them directly inherited the top job, in the manner of an absolute monarch, like King Mswati of Swaziland, or of an absolute despot, like Kim Jong Il of North Korea; Pakistan, Antigua and America were all democracies when the junior Bhutto, Bird and Bush rose to power. Yet democracies and dynasties are far from incompatible. Indeed, the success of the three Bs is replicated to some degree by politicians' children throughout the alphabet. How on earth, in a meritocratic age, do they do it?

Nurture must play a part. Amy Carter may have read comics at White House dinners when her father Jimmy was president (1977-81), just as Jerry Brown may have been more interested in God than government when his father ran California, as he too would some years later (1975-83). But much of the buzz in a political household is inevitably of politics, and it would be odd if it did not spark an interest in at least some of the offspring. That is certainly what happened to Violet, the daughter of Britain's prime minister H.H. Asquith (1908-16), who was often taken into her father's confidence about matters of state when she was little more than a child. Nor was she alone among the political progeny of her era, at least in sharing the professional curiosity of their parents. When Violet told the young Winston Churchill, also the child of a member of Parliament (Randolph), of these chats with her father, he answered wistfully, “I wish I could have had such talks with mine.”

In some families the desire to go into politics is not prompted merely by a general interest in the subject; it may also be a matter of defending the family name. Thus Violet Asquith would become a “champion redoubtable” (Churchill's description) in defence of her father's reputation. Others have been more concerned about the family's skin, particularly their own, than the family's reputation. Uday and Qusay Hussein, sons of Saddam, come to mind, as does Bashar Assad, son of Hafez, in Syria. Other scions of

political families are impelled not so much defensively as simply to keep the dynastic tradition going. When the sixth marquess of Salisbury died last July, the *Times* thought it necessary to remark that, though he had been born into a “great family with a history of service to the Crown since Elizabethan times”, he had “nevertheless decided to turn his back on politics and till the family acres.” It evidently seemed remarkable to his obituarist that, even in the late 20th century, any marquess of Salisbury should not pursue a career in public life.

If nurture is a useful start to a political career, so too is a well-known name. If you happen, in America, to be called Bush or Kennedy, or, in Britain, Churchill, all but the sleepiest voters will think they know something about you. And even less illustrious names may catch the eye, at least locally—or so many aspirants seem to hope. America's 2002 elections, for instance, saw not only a Bush (brother-and-son Jeb) on the ballot in Florida and a Kennedy (Kathleen Townsend, daughter of Robert) in Maryland, but a Cuomo (Andrew, son of Mario) in New York, a Casey (Bob, son of Bob) in Pennsylvania, an Armey (Scott, son of Dick) in Texas, a Barton (Brad, son of Joe) also in Texas, a Bentsen (nephew of Lloyd) yet again in Texas, a James (Tim, son of Fob) in Alabama and a Sununu (John, son of John) in New Hampshire.

Long in the tooth, the House, the Senate

A famous name, though, is not a certain passport to success, as the defeat of all but two of these (Jeb Bush and John Sununu) testifies. It is, however, a start. It brings friends, contacts and financial contributors. It may even bring a machine. When Huey Long was assassinated in 1935, he bequeathed an organisation that combined conventional vote-gathering activities with others more often associated with Latin American dictatorships—patronage, economic pressure, political coercion and thuggery among them. By 1948 this machine had succeeded in getting one of Huey's brothers (Earl) elected governor, then another brother (George) elected to the House of Representatives, then Huey's 29-year-old son Russell elected senator; and in due course Gillis Long, a cousin, was also sent to Congress.

Russell Long, who died last May, remained in the Senate until 1986. Like Richard Daley, the incumbent mayor of Chicago, whose father also ran an infamous machine, he managed to transform himself into an effective modern politician, capable of winning re-election time and again on the strength of his own merits.

And just as well, too, for machines are out of favour nowadays. But some of their work in keeping the family name in Congress is still carried on, strange as it may seem, by officialdom, though the beneficiaries have so far been only politicians' widows, not their children. Thus, over the years, six women have been appointed to fill their dead husbands' seats in America's Senate, the most recent being Jean Carnahan, whose husband Mel (an ex-governor, and son of a congressman) died in a plane crash just before the 2000 election.

When coffins are springboards

The habit of drafting a widow is an old one. Of the first ten women to serve in the American Senate, five were put there by appointment (one was Rose McConnell Long, widow of Huey and mother of Russell). Indeed, it was not until 1949 that a woman was elected to the Senate without first being appointed and she, Margaret Chase Smith, had succeeded her husband in the House. Almost another 30 years passed before a woman who was not a political widow was elected to a full term in the Senate. She, Nancy Kassebaum, however, was a political daughter—her father, Alf Landon, had run against Franklin Roosevelt in 1936—and she became a political wife, marrying Howard Baker, a former Senate majority leader, in 1996. For Elizabeth Dole the path to the Senate was only slightly different: she married Bob, a former senator from Kansas, before winning election in North Carolina in 2002. That was two years after Hillary Clinton—wife of politically, if not physically, deceased ex-President Bill—had carried New York and launched a career that may one day take her too to the presidency.

Some 37 women have followed their deceased husbands into the House of Representatives, but all have got there by election. That was the route for widows such as Llin Golding and Anne Cryer, when they became members of Britain's House of Commons, as their husbands (John and Bob respectively) had before them. Both women have further political connections: the father of Lady Golding (she is a member of the House of Lords now) had been an MP too, and Mrs Cryer sits in Parliament with her son John. Unusual? Yes, but not unknown: Nancy Astor, the first British woman to sit as an MP (1919-45), also followed a husband who had been elected to Parliament. Three of her sons followed her to the House of Commons.

More than a dozen husbands and wives have sat together in the British Parliament, and at least one father, David Lloyd George, has passed on the family baton to both a son and a daughter. Brothers have been common enough in the Commons, but sisters are rarer: the first British pair were the Eagle twins. Angela entered in 1992 and Maria in 1997, soon to be joined by Sylvia Heal and Ann Keen. Hilary Benn, now in the cabinet, is the son, grandson and great-grandson of MPs.

In the United States such tales are as old as the republic itself. John Quincy Adams, the country's sixth president, was, for example, the son of John, its second, and father of Charles, a congressman. At least a dozen similar families can be found in the history books—including the Breckinridges, Lees, Livingstons, Muhlenbergs and Tuckers—before the more familiar Roosevelts and Rockefellers appear. And the pattern is repeated in every corner of government, within generations and from one to the next. Thus the two Udall brothers, Stewart and Morris, both Arizona congressmen of a few decades ago, have sent sons to the House of Representatives. Edward Roybal, California's first Latino congressman, sent his daughter (Lucille Roybal-Allard). Senators Evan Bayh of Indiana and Lincoln Chafee of Rhode Island are both the sons of senators. Governor Mitt Romney of Massachusetts is the son of Governor George of Michigan. Capping that, Governor Bob Taft of Ohio is both the son and grandson of senators, and his great-grandfather was uniquely chief justice and also president of the United States (1909-13).

Similar stories occur in other countries. Alessandra Mussolini, granddaughter of Benito, now sits in the Italian parliament. Dora Bakoyianni, mayor of Athens, widow of one MP (Pavlos, assassinated 1989), daughter of another (Constantine Mitsotakis, prime minister 1990-93), is tipped by some to reach the top of Greek politics. If she succeeds, she will be jostling with the scions of other political families such as the Karamanlises and the Papandreous. Japan boasts countless similar dynasties. Shinzo Abe, grandson of a former prime minister, is now secretary-general of the Liberal Democratic Party, a post his father, Shintaro, also held. Colombia has a veritable forest of political family trees. And though Cuauhtémoc Cárdenas, once mayor of Mexico City, may no longer aspire to become, like his father Lázaro, president of Mexico, his son—also Lázaro, and now a state governor—may well do so. Thabo Mbeki has got to the top in South Africa, something that eluded his father Govan, but not for want of trying (25 years on Robben Island). In Congo Joseph Kabila has, to general surprise, hung on to the presidency inherited from Papa Laurent.

Greasy pole, bloody ladder

In much of Asia dynastic politics takes the form of a male-to-female transfer, following the American pattern of widows stepping into their dead husband's shoes. In Asia, though, a coup or an assassination, or both, often serves to hurry the succession along. Thus Corazón Aquino was propelled to the presidency of the Philippines in 1986, three years after the murder of her husband, Benigno. In Bangladesh two combative widows nowadays seem to take it in turns to run their country. Both are the relicts of murdered politicians.

Elsewhere daughters, not widows, have been the main beneficiaries of male politicians' turbulent departures. In Pakistan it took little more than a decade for Benazir Bhutto to assume the prime ministership that her father had held before he was deposed (in 1977)—and then, some would say, judicially assassinated. In Indonesia it was all more drawn out: nearly four decades elapsed between the ousting of Sukarno, the country's first president, and the installation (in 2001) of his daughter, Megawati Sukarnoputri, as its fifth. In Myanmar a proper succession has yet to take place: Aung San, who negotiated independence from Britain, was murdered in 1947, six months before he could become prime minister. His daughter, Aung San Suu Kyi, is still trying to claim the job.

For its cat's-cradle of connections, it is hard to beat Sri Lanka's story. Its incumbent president, Chandrika Kumaratunga, is the widow of a film-star politician (Vijaya, assassinated 1988) and daughter of two prime ministers. Father was assassinated in office (1959), so mother took over (1960), becoming the world's first female elected head of government. It is India, however, that boasts Asia's greatest political dynasty. Jawaharlal Nehru, the country's first prime minister, was the father of Indira Gandhi, its third and sixth (assassinated 1984), who was the mother of Rajiv, its seventh (assassinated 1991), whose widow, Sonia, now hopes to be its 15th.

One bullet doesn't make a dynasty

It is too soon to say how many of these Asian successions mark the beginnings of real political dynasties: some of the characters are related only by marriage, not blood, and only the Gandhis have spanned more

than two generations. In any event, if political families are to flourish in Asia, it would be nice to think that they would owe their success to something more than a gunman's bullet. It would be even nicer to think that it might in some way be connected with merit—which, in this context, is to say political skill. But could such a commodity really be handed down from one generation to the next, either in Asia or anywhere else?

The idea is not inherently absurd. Dynasties can be found in plenty of professions, and though some (like acting) share with politics the value of a well-known name and only subjective criteria as to what constitutes ability, others (like medicine, law, the natural sciences) require some objective qualifications that do not come with a birth certificate, suggesting that heredity may indeed play a part in any continuing family success.

Monarchs and presidents

Rated according to political achievement (1 is best, 4 worst)

Monarch	Reign	Rating	Reason
Edward VI	1547-53	3	Sheepish but doctrinaire child
Mary I	1553-58	2	Good alliance with Spain, avoided rebellion
Elizabeth I	1558-1603	1	Got religious settlement
James I	1603-25	2	Religious accommodation; enlarged kingdom
Charles I	1625-49	4	Bad alliances, antagonised everyone
Commonwealth	1649-59	-	-
Charles II	1660-85	1	Smoothed transition back to monarchy
James II	1685-88	3	Good at politics, bad at religious compromise
William & Mary	1689-94	-	-
William III	1694-1702	2	Shrewd, got England into wars with French
Anne	1702-14	3	Easily dominated but good on horseback
George I	1714-27	2	Got throne, got Walpole, got rich
George II	1727-60	2	Took country into wars he wished to fight
George III	1760-1820	4	Mad, lost much of North America
George IV	1820-30	4	Connoisseur but repressive, corrupt
William IV	1830-37	3	Vulgar nonentity, popular
Victoria	1837-1901	1	Nation's steady focus in its most glorious era
Edward VII	1901-10	2	Kept people happy, gave start to Liberals
George V	1910-36	3	Stupid, weak and dull
Edward VIII	1936	4	Had neither appetite nor aptitude for job
George VI	1936-52	2	Good war
Elizabeth II	1952-	2	Conscientious and long-suffering
Total		**50**	

President	Term	Rating	Reason
Grover Cleveland	1893-97	2	Decent and able in most corrupt of times
William McKinley	1897-1901	3	Mediocrity
Theodore Roosevelt	1901-09	1	Inconstant but inspiring, a reformer
William Taft	1909-13	2	Decent, stolid, fat
Woodrow Wilson	1913-21	2	Great reformer, though tragic figure
Warren Harding	1921-23	4	Stupid and corrupt
Calvin Coolidge	1923-29	3	Honest but limited
Herbert Hoover	1929-33	4	Failed to rise to the occasion
Franklin Roosevelt	1933-45	1	Saved the world
Harry Truman	1945-53	2	Rose to the occasion, good helpers, policies
Dwight Eisenhower	1953-61	2	Decent post-war consolidator
John Kennedy	1961-63	2	Able, good missile crisis, little achieved
Lyndon Johnson	1963-69	3	Good reforms, bad economics, worse war
Richard Nixon	1969-74	4	Capable of brilliance, but corrupt, reckless
Gerald Ford	1974-77	3	Decent, but limited succedaneum
Jimmy Carter	1977-81	3	Good intentions, few achievements
Ronald Reagan	1981-89	2	Good cold warrior, amiable, limited
George Bush senior	1989-93	3	Good war, otherwise mediocre
Bill Clinton	1993-2001	3	Brilliance outweighed by dishonesty
George Bush junior	2001-	3	Too soon to rate him more highly
Total		**52**	

For an utterly unscientific test of the hypothesis, compare the past 20 British monarchs, who owed their position only to their birth, with the past 20 American presidents, who owed it to the ballot-box—and the odd bullet. Judging them only on their political accomplishment, recognising that any evaluation is subjective, and neglecting the fact that the political remit of British monarchs has progressively diminished over the centuries, the monarchy does not come out badly (see table).

Such a conclusion would not have surprised Sir Francis Galton, a 19th-century British scientist who argued that “ability is not distributed at haphazard, but...affects certain families, and that “the relationships of...statesmen abundantly prove the hereditary character of their genius.” Galton, who was

a cousin of Charles Darwin and thus a member of an illustrious scientific family, did not believe that all men in prominent positions were gifted. On the contrary, he thought those who owed their position to nepotism (such as nephews of popes) were “curiously undistinguished” and most British dukes were of “a decidedly lower natural grade”. But, on the basis of his studies of eminent lawyers, politicians and scientists, he concluded that “the statesman's type of ability is largely transmitted or inherited”.

Not all Galton's views have stood the test of time. His assertion that “social hindrances cannot impede men of high ability” seems absurd today, and the logic of his general argument led him to thoughts on eugenics that few would now endorse: the state, he suggested, should issue parents with breeding quotas based on their ability, allowing more children for the talented, fewer for dullards. Logic also caused him to judge the peerage “a disastrous institution”. When successful men were made peers, he argued, they usually lacked the money considered appropriate to their new standing. So their eldest sons married rich women, who, in primogenitary Britain, were often the only children of successful, socially ambitious businessmen; tycoons with sons would not leave their money to a daughter. Thus the men bearing the “best” genes married women with a family tendency toward sterility. This explained why so many titles had become extinct—and with them the hereditary benefits of those originally ennobled.

Galton, however, should not be dismissed as an eccentric. He was the first scientist to make a serious study of twins, which is the basis of all modern behavioural genetics, and evidence has been found to support at least some of his conclusions about heredity. Genes are now thought to account for half the development of people's personality, for instance, and for a higher proportion of their social attitudes, including their views on socialism, the death penalty and even religion.

Personality and beliefs are not quite the same as acumen and effectiveness, but, hereditary or not, they must still be counted significant components of a politician's make-up. In politics, it seems, as in so many other human activities, nurture and nature both play a part. Or, to put it another way, no one should be surprised that the lower forms of pond life owe their position to a gene pool.

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Cotton

A great yarn

Dec 18th 2003

Alamy

The thread of life, indeed, and of death, money, music, slavery and ecological disaster

THREE months ago, after long preparation, a crucial meeting of the World Trade Organisation in the Mexican resort of Cancún broke down in acrimony between rich and poor countries. At the centre of the dispute were the fluffy white hairs on the seeds of a shrub called *gossypium*, better known as the cotton plant. Four small West African countries that grow the stuff—Benin, Burkina Faso, Chad and Mali—managed to push its treatment on to the main agenda for the meeting, claiming (rightly) that the $3 billion-plus in subsidies that America lavishes on the 25,000 of its citizens who grow cotton (out of a population of 290m) was putting Africa's farmers out of business.

But the Africans got little sympathy from the American negotiators, whose political masters are still in thrall to “King Cotton” in a few southern states. So the Africans, and a bunch of sympathisers, refused to negotiate on any of the issues that the rich world wanted them to discuss. Thus ended, at least for a while, the best chance for lifting almost 150m people out of poverty, said the World Bank.

The cotton plant is no wallflower, no stranger to attention. It has taken to the limelight well and often, unlike tobacco and sugar, other contenders for the title of the “most influential plant on earth”. Whereas those two have been retiring more and more from the world stage, and certainly falling into disrepute, cotton has been centre-stage now for at least 250 years. Look at some extracts from its CV over the period:

- c1750-1820: major role at the start of the industrial revolution;
- c1810-60: extended the life of slavery in the United States;
- 1861: instrumental in the outbreak of the American civil war;
- The 1960s: helped dry up the Aral Sea, once the world's fourth-largest expanse of inland water.

Not bad for a plant that rarely grows more than a metre—three feet—high.

Such fluff as dreams are made on

The remarkable bounce and absorptive properties of *gossypium's* tubular fibres have made it the perfect wrapping for sweating, stretching human flesh. There can scarcely be a body on the planet not clad in at least one cotton garment at any moment—from the dhoti of the poorest Bengali rickshaw-driver to the denim jeans of Bill Gates and George Bush. Moreover, the ease with which cotton garments can be washed and reworn has improved human hygiene beyond measure.

Metaphors from cotton's production are woven into the fabric of much modern music. It has been a recurring theme in blues and jazz, from New Orleans to Harlem. Leadbelly sang of the “Cotton fields back home” and his intention to “Jump down, turn around, pick a bale of cotton.” Duke Ellington led the Cotton Club Orchestra. More recently, in Brook Benton's “The Boll Weevil Song”, the nasty little pest of the title tells a farmer that, “When I'm through with your cotton, you can't even buy gasoline,” evidently unaware of all those subsidies. The song would hardly be the same sung by a locust.

Even before the 18th-century salons of London and Paris fell in love with cotton—primarily with the calicos and chintzes of India—the fluff had spun its way into the imagination of the West. The 17th-century traveller Jean Baptiste Tavernier seduced more than a few Europeans into following him to India with his description of a Mogul calico “so fine that when a man puts it on, his skin will appear through it as if he was quite naked.” Known locally as the “web of woven wind”, man was plainly not at the time seen as its main market. Indeed, Tavernier recorded that the governor of the province where the stuff was made “is obliged to send it all to the Great Mogul's seraglio to make the sultanesses' shifts and garments for the hot weather...The king and lords take great pleasure to behold them in these shifts and see them dance with nothing else upon them.”

The cotton plant was also the source of one of the more persistent fables of the Middle Ages, a time of fierce competition among myths. This particular one involved something called the Vegetable Lamb of Tartary. A supposed animal-plant combination that came from somewhere east of Istanbul, it was described as a shrub with a heart, a mouth and a soft fibrous coat. Medieval illustrations of the Garden of Eden include a specimen looking not unlike a warthog perched on top of a pole. In “The Vegetable Lamb of Tartary—a curious fable of the cotton plant”, published in 1887, a Victorian biologist, Henry Lee, claimed that a series of mistranslations and Chinese whispers had turned early travellers' tales of the cotton plants they had seen in Tartary (somewhere between Tehran and Samarkand) into the mythical Vegetable Lamb. Understandable, perhaps, since the only fluffy fibre that Europeans were familiar with in the Middle Ages was wool.

Stout enough for Cortés

Until the 1780s, cotton was a luxury, the fabric of ceremonial garments. The kings who came from the east to visit the new-born Christ may have worn cotton robes, but the baby Himself would probably have been swaddled in something else—linen or perhaps silk.

When Cortés arrived in the Yucatán peninsula in 1519, he was presented with a gold-encrusted cotton robe which he sent home to Spain to Charles V; it was, he said, worthy of the emperor's attention. Cortés did not realise it at the time, but his robe (and others found in South America) later threw cotton into the midst of one of the hottest controversies about the spread of *homo sapiens*: did men, or did they not, reach the Americas only via the Bering crossing to the north? Cotton's role in the mystery arises from the finding that different species of *gossypium* have developed in different parts of the world.

Until the 1780s, cotton was a luxury. The kings who came to visit the new-born Christ may have worn cotton robes, but the baby would have been swaddled in linen or silk

With plenty of water, the plant grows almost anywhere. Wild varieties survive 1,500 metres (5,000 feet) in the valleys of the Andes, while the long-staple “Sea Island” cotton—called after the Sea Islands off Florida, Georgia and North Carolina—favours flat saltmarshes near the coast. All these wild cottons of the Americas are of one type (called DD), whereas all the wild cottons of Asia are of another (AA). Yet pre-Columbian Americans made use of cultivated hybrids for their garments, a mix of AA and DD types. This has convinced some biologists that Asian cottons must have come to South America with an early trans-Pacific migration.

Cotton's popularity in ancient times was limited by the fact that to make it wearable was seriously hard work. It still is. First the white bolls must be picked from the low plants on which they grow. Then they must be ginned—the white hairs separated from the rough seed. (For every pound of hair there are about three pounds of seed.) Then the hairs must be cleaned and carded—brushed so the fibres lie parallel—before being spun into thread.

In 1770 it took between 12 and 14 man-days of labour to produce a pound (450 grams) of cotton; the comparable time for the same weight of wool was only one or two days. A fine muslin cotton from India made from a pound of raw hairs was worth £10 in the currency of the day; the cost of the raw hairs was 0.15% of that. It was, in modern parlance, an extremely high-value-added process.

Cotton's career was transformed from exotic rarity to everyday commodity by a couple of inventions. In the 1760s James Hargreaves and Richard Arkwright developed a spinning machine that dramatically reduced the labour involved in turning cotton hairs into thread. In 1765 a mere 500,000 lb of cotton was spun in England—all of it by the hand of artisans working at home. By 1784 the quantity had leapt to 16m lb—all of it spun by machines based on the inventions of Hargreaves and Arkwright. Gathered together in mills, these machines were driven by water wheels.

Over half the mills in England were built on the banks of the rivers of Lancashire. Only with the introduction of steam-powered machinery in the 1790s was the industry freed from its dependence on water power. In “English Society in the Eighteenth Century”, Roy Porter writes: “Steam power enabled spinning factories, once confined to out-of-the way up-country river valleys, to migrate to town centres such as Manchester.” By the 19th century, when cotton was Britain's largest export, Manchester had come to be known as Cottonopolis.

After the jenny, the gin

The second great invention took place in America. In 1794 Eli Whitney patented a mechanical gin that reduced the time taken in the other hugely labour-intensive process of cotton production—the separation of the hairs from the seed. Whitney's patent served him badly, for copies of his machine were soon being touted all over the southern states. But the gin transformed the processing of raw cotton ever after. Before Whitney, a single worker was lucky if he could gin a pound of cotton a day; with the aid of the mechanical gin, he was able to process up to 50 lb a day.

These two inventions were the true heralds of the industrial revolution, but they depended on neither of the precursors often assumed to be the *sine qua non* of that revolution: iron and steam power. The wonder of both the spinning machine and the cotton gin was that they were essentially labour-saving devices, yet they greatly increased the demand for labour. Cotton, in effect, had an extraordinary impact on labour markets in the industrialising world for most of the next century.

By the end of the 18th century, the demand for slaves was falling off in some of the southern states of America. But the combination of Whitney's gin and virtually limitless land for planting reinvigorated demand. Between 1784 and 1861 there was an eight-fold increase in the number of black slaves in America—most of them brought in to tend the boundless new acres of *gossypium*.

Likewise the introduction of Arkwright's spinning frame only increased the demand for weavers in Lancashire to turn the extra thread into cloth. In 1810 one spinner was as productive as 200 had been 70 years earlier. The demand was met by a huge growth in Britain's population, which increased from 5.7m souls in 1750 to 11.5m in 1820, many of whom moved to Lancashire from other parts of the country. It was also met by child labour, conscripted in many places by collecting infant paupers from parishes in one county and moving them to another. Mr Porter cites the records from Cuckney Mill in Nottinghamshire which, between 1786 and 1805, received about 500 juvenile workers from parishes in the London area.

“Bliss was it in that dawn to be alive,” wrote Wordsworth of the euphoria that followed the French revolution in 1789, “But to be young was very heaven!” Not, he might have noted, for the tens of thousands of children working 12-hour days in the cotton mills that the romantic poet's coach would pass as it carried him in his later life from London through Lancashire to his daffodil-dotted Lakeland home.

Even in the factories of Robert Owen, famous for his attempts to create utopian socialism at his New Lanark Mills in Scotland, 20% of the workforce was under nine years old. Sir Samuel Romilly, a law reformer, remarked that “The children, who are sent off by wagon loads at a time, are as much lost to

their parents as if they were shipped off for the West Indies.”

Fruit of the boom

Arguably, the life of a mill child in Lancashire was no less arduous than that of a slave on the cotton plantations in America. The cotton slaves often had a holiday over Christmas and New Year—unlike the slaves on the sugar plantations nearby. In “Property”, Valerie Martin's novel of plantation life in 1828 (and winner of the 2003 Orange Prize, one of Britain's leading literary awards), the raconteur remarks: “Cotton is a less finicky crop than cane, and doesn't require the bulk of the harvesting and milling to be done all at once under the pressure of a hard freeze. Cane-growers spend Christmas in a panic, and the negroes don't have their party and holiday until after the New Year...Our New Year's party was famous.”

By 1820 America was exporting some 400,000 bales of cotton a year; by 1861 that had risen to 4m bales. At the start of the American civil war, cotton had overtaken sugar and tobacco as the foremost traded crop in the world. From then on it was justifiably known as “King Cotton”.

But their king made the southern states idle as well as rich. They had little need to diversify. “Why, all we have is cotton and slaves and arrogance,” says Rhett Butler in “Gone with the Wind”, on the eve of the civil war against the north. The Yankees, he adds (with the benefit of fictional hindsight), “would lick us in a month”, for they have “the factories, the foundries, the shipyards, the iron and coal mines—all the things we haven't got.”

The southern states, virtually devoid of non-slave labour, relied on the people flocking to the mills of Lancashire to turn their fleecy raw material into finished cloth. The production of cotton became extraordinarily concentrated in these two places. By 1861 the United States was producing two-thirds of all the raw cotton exported around the world. The great majority of it was destined for Lancashire which (in turn) produced two-thirds of all the cotton fabric that was traded. It was as if two-thirds of the world's cars today were made in China and two-thirds of all their engines were produced in Detroit.

The southern states assumed that this trade and mutual dependence meant they could rely on Britain's support in any civil war with the north. They miscalculated. The poor factory workers of Lancashire were, by and large, in favour of the abolition of slavery. Their moral stance in supporting the northern states in the civil war was subsequently described by Abraham Lincoln as “sublime Christian heroism”.

Almost a century later, America's continuing domination of cotton production led the Soviet Union, its implacable enemy in the cold war, to look for self-sufficiency in this vital crop. In 1946, at the urging of Stalin, the Uzbek republic in the south pledged to produce unrealistic quantities of cotton in order to achieve that goal. It thus created one of the worst man-made environmental disasters ever.

The Vegetable Lamb is a thirsty beast, and much of the Uzbeks' land is desert. In order to fulfil their promise, they diverted two rivers that drained the melted snow from the western Himalayas: the Amu Darya and the Syr Darya. By means of canals and huge concrete aquaducts, they took the rivers' waters to irrigate vast areas of cotton. But they failed to take account of the fact that what they were redirecting was the sole source for the Aral Sea, a vast inland tank that provided food and livelihood for hundreds of miles around. That sea, now two separate lakes, is today a fraction of its size in 1960. It has virtually no fish, and the health of the local inhabitants has deteriorated markedly.

Despite widespread awareness of the problem, little has been done to reverse this ecological disaster. Even today, over a decade after the collapse of the Soviet Union, Uzbekistan is still the world's second-biggest exporter of thirsty cotton.

Let them grow silk

The United States is the biggest exporter, but it is today only the second-biggest producer. In the 2001-02 season it grew 4.42m tonnes, compared with China's 5.32m. Between them these two countries produce over 45% of all the cotton grown in the world, and their huge subsidies distort the market by sharply depressing prices. Oxfam, a charity, says that each acre of American cotton receives $230 of taxpayers' money every year. In China, annual subsidies are estimated to amount to some $1.2 billion. The EU is also generous to its cotton-growers, giving some $700m a year to farmers in Greece and Spain.

International campaigners and the IMF say that these subsidies should stop. Those who suffer from them most are the 10m cotton farmers in West Africa. But the manufacturers of substitutable synthetic fibres—70% of them in developing countries—also suffer from having to compete with a crop whose market price is not freely determined. So too do silk-worm farmers and flax-growers. Demand for linen and silk is depressed by the artificially low price of cotton.

If the subsidies were cut, *gossypium* might be elbowed out of the limelight at last. But American politicians will see to it that this does not happen in a hurry. If it did, would anyone write songs about the mulberry blight and “them old polyester plants back home”? Seems unlikely.

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Congolese music

Rumba in the jungle

Dec 18th 2003 | KINSHASA

James Astill

Congo's music has a magnificent history but, like the country, faces hard times

GASPING, a beautiful girl is propelled towards the pit, a heaving mass of 30,000 men. She recoils in panic, arms flailing, arching herself backwards almost to the boards. But, as the beat throbs, resistance is hopeless. On she is drawn, by the omnipotent will of her own thrusting hips. She reaches the edge of the stage, and the tempo soars. The dancer is transformed. Ecstasy grips her. Howling, she grabs fistfuls of air, writhing in a blur of blue latex and spangled fur. The song peaks. The dancer makes a last bone-juddering lunge, freezes, and then staggers drunkenly off to the wings. In the pit, or rather, on the pitch of Kinshasa's main football stadium, thousands of half-lit faces are roaring. Your correspondent discovers that he has dropped his pen.

Congolese music is sexy. Whether the improvised part of a traditional rumba, or the dizzying climax to a modern “ndombolo” dance number, its rhythms invariably recall the carnal deed. Cameroon's prim government tried to ban the ndombolo dance—which is slightly less risqué than the thrusting dancer's routine, even though performed in groups—on the ground that it was sexually suggestive.

The Congolese dismissed the ban as sour grapes. Perhaps they were right. In smart discos, sweat-box bars and market-places across Africa, Congolese music is rampant. Local musicians can rarely compete. Even in Lagos, the proud home of high-life jazz, clubs echo with Congo's trademark throbbing bass, tinging guitars and racing falsettos. And in Europe Congolese music has become almost synonymous with African music. Europeans call it *soukous*, after *secousse*, the French for “jolt” or “shake”. In Paris and Brussels, Congolese stars draw crowds of 20,000.

But it is in the Democratic Republic of Congo that the music truly matters. For five years, a vile war has raged in Congo, costing between 3.1m and 4.7m lives. The country is ruined and divided, its state a figment. Yet if Congo is more broken than Iraq or Afghanistan, it is a better place for a party. “Music is keeping the nation alive,” says Noel Ngiama, aka Werrason, one of the country's four big stars. “In Congo, almost everyone can dance or sing.”

Not that Congo's music industry is untouched by the nation's troubles. The dancer who sent this correspondent scrambling for his pen was a member of a band based in London. Lining the back of the stage were only a couple of members from each of Congo's leading bands, many of which are also based

in Europe. So, for the first time in Congo, partly for want of musicians, the singers were miming.

As the dancer staggered off, a small man wearing big shades, an Arab djellaba and a Turkish fez seized the microphone. “Thank you for coming,” he said, thwacking the stage with a camel-prod. “You have proved that I, a journalist, am as famous as a musician!” This was Zacharie Bababaswe (above), whose brief homecoming to Kinshasa the audience was celebrating.

Yet Mr Bababaswe is modestly talented for a Congolese celebrity. He is famous for his weekly television music programme, “Green Fire”, which he records in Brussels. This typically features Mr Bababaswe interviewing, or rather haranguing, a Europe-based Congolese music star. His brand of demagoguery has earned him the title “the mullah of the press”. Hence the Muslim garb, which several of the performers were also wearing as a token of their respect. “He makes the music live,” said Biscuits for Schoolchildren, a man in full Bedouin costume, who plays with another of Congo's big four singers, Papa Wemba. But if that were true, Kinshasa's music scene would hardly be thriving.

How it all began

Congolese music has always acutely reflected the fortunes of the people who made it. Its modern form emerged in the early 1940s, in two cities separated by a mile of swirling brown water. War in Europe had boosted demand for Congolese copper, cotton and rubber. Factories were mushrooming in Leopoldville, as Kinshasa was called then, the capital of the Belgian Congo (now officially the Democratic Republic of Congo), and across the Congo river in Brazzaville, the capital of the French Congo (now officially the Republic of Congo-Brazzaville). To meet the demand for labour, peasants flooded in from the rainforest, and the population of Leopoldville grew to around 200,000.

The migrants brought their traditional music, played on drums, lutes and likembes, xylophone-like instruments played with the thumbs. They also encountered new music: Cuban boleros, mambos, salsas and, especially, rumbas, captured on a budget range of ten-inch, 78rpm records put out by His Master's Voice, a British label. Flush with their new wages, the Congolese devoured these rhythms—perhaps because they were rooted in traditional songs of west and central Africa, before being taken to Cuba by African slaves. “And so the rumba was returned to the land of its origins, Congo,” writes Manda Tchebwa, a Congolese musicologist.

Congo's first great star was Antoine Kolosay, aka Papa Wendo, a name garbled from his original moniker, the Duke of Windsor. When not employed as a riverboat mechanic, Papa Wendo sang languorous rumbas at weddings and funerals, accompanying himself on an acoustic guitar. “It was an exciting time,” he now recalls, a 79-year-old seated in the shade of a banana tree, in the yard of his modest Kinshasa house, from which he sells beer.

Everyone wanted to dance the rumba. Seizing his chance, a Greek businessman built a broom-cupboard recording studio in his Leopoldville trading house, and lent Papa Wendo guitars and drums. The authorities were less helpful. In 1948 Wendo wrote one of Congo's loveliest songs, “Marie-Louise”, a eulogy to the sister of his guitarist, Henry Bowane. A month later Marie-Louise died. Whereupon, wherever Papa Wendo played the song, the girl's ghost was reported to have appeared. He was charged with Satanism by the Catholic church, and imprisoned. “Of course, it was really the melody that was haunting people,” says the old man, and then proves his point, with a bewitching, only slightly quavery, rendition of the song.

By the mid-1950s, Papa Wendo had been superseded by two bands whose most brilliant members would dominate Congolese music for the next three decades. As their names suggest, Joseph Kabasele's African Jazz and François “Franco” Luambo's OK Jazz, jazzed up the rumba, adding horns and the double bass. By now, there were half a dozen Greek recording studios in Kinshasa, creating intense competition for the best musicians.

Kabasele and Franco traded in Papa Wendo's modest scooter for sports cars and the other pleasures that a booming Leopoldville could amply provide. By 1955, says Gary Stewart's exhaustive, and gratefully plundered, history, “Rumba on the River”, the Congolese were buying 600,000 records a year, and the capital's native quarters boasted some 330 bars.

More papas than mamas

Almost inevitably, as independence approached, these first modern Congolese heroes were drawn into politics. Patrice Lumumba, Congo's first leader, who was later murdered, campaigned from the back of Kabasele's Cadillac. In 1960 African Jazz played in Belgium at the talks that delivered both independence and the Cadillac man's most famous song. “We are independent at last!” he sang. “Viva liberty cha cha! We have won!”

Almost at once, Congo's bright hopes began to fade. A Belgian-manipulated secessionist movement in copper-rich Katanga province sparked civil war. “You Congolese politicians, put an end to your fratricidal war,” implored Kabasele, in one of several songs rumoured to have been written by his uncle, a future cardinal of the Catholic church.

Yet money and power, the corrupters of Congo's politicians, infected the musicians too. African Jazz's musicians mutinied. Led by a brilliant young singer, first known as Seigneur Rochereau, then Tabu-Ley, they formed African Fiesta. Thus began a rich tradition of cell-splitting, adhered to by Congolese bands and, unhappily, by Congolese rebel groups to this day.

Where previously Congo's music stars had gloried in the nation's successes, Papa Wemba strutted on the rotten boards of its decline

At the last count, Wenge Musica, a group formed in the early 1980s, had split into five different outfits, producing two of Congo's four modern superbands. Over the past four years, the Congolese Rally for Democracy (RCD), a rebel group based in Congo's anarchic east, has fractured at least four times, and RCD-Goma, its biggest faction, is charged with massacring thousands of civilians. “Every Congolese wants to be the chief,” explains Georges Branches, who runs an advertising agency in Kinshasa. “This makes for innovative music and terrible politics.”

For two decades, intense rivalry between Franco, “the sorcerer of the guitar”, and Tabu-Ley, of “the ebony voice”, powered a golden age in Congolese music. Influenced by funk and rock 'n' roll, adding more saxophones and the bass guitar, they made the Congolese song faster and fuller. The lyrics also changed to reflect the concerns of a swelling urban class.

Where Papa Wendo had stressed the importance of finding a wife who could cook, Franco sang of prostitutes and money. Tabu-Ley, partly influenced by a visit from James Brown, America's “godfather of soul”, to play at the “Rumble in the Jungle” (the celebrated boxing match between Muhammad Ali and George Foreman in 1974), turned his performances into glittering, all-dancing extravaganzas.

Congo's economy, meanwhile, could just about keep pace with these excesses, thanks partly to the relative stability imposed by Mobutu Sese Seko, the country's first dictator, plus buckets of aid money. In 1970 the Congolese were buying 1m records a year, and, with their taste for the good life undiminished, spending 15% of their income on beer. Then the good times stopped rolling. By 1974 Mr Mobutu had “Zaireanised” most of the country's foreign-owned businesses, including some 2,000 plantations—the mines had been taken over in the 1960s—pleasing his cronies but wrecking the economy of Congo, or Zaire as he had renamed it, overnight.

The big men of the music scene grew similarly demented. Franco, the chief of the musicians' union, imposed a ban on new bands, in a flagrant attempt to maintain his own supremacy. As the proud owner of a major record company, stolen from its Greek founder, he also oversaw the decline of Kinshasa's recording industry, partly due to a shortage of vinyl. Yet, despite Franco's efforts, myriad new bands emerged.

Better well dressed than well fed

One of the best was Zaiko Langa Langa. For want of cash, it ditched the horns, and replaced their subtle variations with extravagant guitar solos and vigorous dance routines. Inevitably, Zaiko split, several times, spawning Papa Wemba's Viva La Musica in 1977. This was a landmark in Congolese counter-culture. Whereas previously Congo's music stars had gloried in the nation's successes, Papa Wemba strutted on the rotten boards of its decline.

James Astill

Sex may have something to do with it

He was the high priest of the “Religion Kitembo”, literally the worship of clothes, which dictated that it was better to be well dressed than well fed. The church's acolytes were called *sapeurs* after the French slang for clothes, or gear, *sapes*. Backed by Congolese shoplifting gangs in Paris and Brussels, and their own resourcefulness, the *sapeurs* turned Kinshasa's mouldy discos into catwalks for the world's most expensive fashions. Papa Wemba, *le Pape de la Sape* (the pope of the *sape* movement), cheered them on. “Listen my love. On our wedding day/The label will be Torrente/ The label will be Giorgio Armani/The label will be Daniel Hechter/The label for the shoes will be J.M. Weston.”

It was no coincidence that Congo's music had become a fully interactive performance: the record industry was dying. Incompetence and outdated technology drove musicians to West Africa and Europe to record. And many decided to stay. This scattering of talent widened the audience for Congolese music. But, cut off from Kinshasa's incestuous rivalries and critical audiences, the migrant musicians rarely produced great work. Artists dismissed as mediocrities in Kinshasa could masquerade as superstars to foreign crowds.

Meanwhile the true stars were dying, Kabasele of hypertension, Franco, and a handful of lesser stars, allegedly of AIDS. Congo was imploding. By the early 1990s, average purchasing power had fallen by 75% in two decades. Innovative Congolese, including many *sapeurs*, were stealing away to Europe. Newspapers that had once offered sophisticated musical comment were firebombed. Franco's exclusive Un-Deux-Trois nightclub became an evangelical church.

From piracy to praising pols

During the past five years of war, Congo's economy has collapsed, and the recording industry with it. As Kinshasa's studios began closing in the 1980s, pirated tapes and records flooded the market. In 1991, 1.5m pirated Congolese cassettes were seized in nearby Togo in a single bust. Now, with cassettes costing $4, and over 80% of Congolese living on less than $1 per day, even the market for pirates has dried up.

According to Gabriel Shabani, a former record producer, a hit album might sell 20,000 cassettes in Kinshasa, a city of 4m. Mr Shabani has closed his recording studio, and plans instead to sell Congolese music to the diaspora over the internet.

Congo's club scene is similarly stricken. With most Congolese unable to pay more at the door than the equivalent of 50 cents, the standard price for popular gigs, many stars have stopped performing in Kinshasa. Today, Werrason is Congo's biggest draw; but that is at least partly because he does perform. At Kinshasa's People's Palace, a $34m Chinese-built monstrosity, he recently drew a crowd of 20,000 in a couple of hours for a free concert. But the audience was mostly of street-boys, the sound system failed, and Werrason played only three songs before giving up in disgust.

For most Congo-based musicians, singing the praises of politicians is now the most lucrative source of cash. A typical album might feature the names of around 50 rich Congolese, who would all be expected to pay for the privilege. On her latest album, Tshala Mwana, Congo's leading chanteuse, suggests that Mwenze Kongolo, a man accused by UN investigators of involvement in the looting of $5 billion from

state mining companies, has the sexual energy of nine men (it is not known whether this flattery was rewarded).

Rather more modestly, Moke “Lambio Lambio” Tomisi, the president of Papa Wemba's Kinshasa-based band (he also has two in Europe), offered to have his patron describe your correspondent as Fleet Street's finest for $500. Though tempted to break *The Economist*'s shackles of anonymity, he regretfully declined.

At which, Mr Tomisi continued rehearsing his dancers in a routine for a Nescafé television commercial. His boss, Papa Wemba, was on bail in France, charged with smuggling several thousand Congolese into Europe as members of his entourage. For the Nescafé commercial, Mr Tomisi expected to receive $500, to be divided among 14 people.

With almost no stars now recording in Kinshasa, Congo's music is becoming devoid of innovation. It can take a trained ear to tell one modern Congolese band from another, so formulaic has the music become. Even Koffi Olomide, arguably Congo's most brilliant modern star, a clever lyricist and resonant baritone, is getting lazy. According to the verdict of Kinshasa's streets, he has hardly written a good song in years.

Yet no new stars have emerged in the last decade to sweep the old guard away. According to Emeneya “King Kester” Mubiala, a star of the 1980s: “We're reaching the point where people still love the music, but barely remember the names of the songs.” In Congo's broken society, tribal divisions are growing. Modern musical rivalries reflect this. Werrason owes his huge popularity not merely to his music, which is quite ordinary, but to the partisan support of people from his Bandundu province east of Kinshasa, including most of the capital's street-boys.

Down among the weeds

Congolese music does seem to be in a bit of a slump. But a recent night out in La Porte Rouge, a tiny bar in Kinshasa's poor Matonge suburb, suggested that its roots were still flourishing. Seated at white plastic tables were poor punters from all four corners of Congo. Against a brick wall, a row of bare-chested drummers were beating out the Mutuashi music of the central region of Kasai. And one by one, the drinkers downed bottles and stepped up to dance their thanks.

Old men and slobbering drunks gyrated with vigour and style, as they plastered small bills on to the drummers' sopping foreheads. Middle-aged slatterns were transfigured, their cares seemingly forgotten, as they swaggered seductively on to the floor. Congo's music industry, like its politics, has a few crooks and rabble-rousers at the top. But, almost incredibly, down among the weeds, Congolese music and the brutalised people who really make it are thriving still.

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Arak

Liquid fire

Dec 18th 2003 | BEIRUT

The Arabs discovered how to distil alcohol. They still do it best, say some

WHAT is Islam's greatest gift to the world? The faith of the Koran, Muslims will promptly say—along, some would add, with the Arabic language. Yet it may be that the single most pervasive legacy of Islamic civilisation is not holy scripture, but the rather unholy art of distilling alcohol. Not only were Arabs the first to make spirits. The great trading civilisation of Islam spread the skill across the globe, and in its lands some of the world's finest alcoholic concoctions are still made to this day.

Although the delights of fermented drink were known to cavemen, the natural alcohol content of primitive wines and beers would not top 16%. Yet early China and Egypt both discovered techniques of distillation that might, if applied to such brews, have stiffened their potency. Later, Aristotle described a way of vaporising salt water into fresh, the Romans distilled turpentine from pine oil, and two Alexandrian ladies in the first centuries after Christ, Mary the Jewess and Hypatia, invented devices for separating liquids by heating them. Yet, oddly, nobody in the ancient world at this time seems to have exploited the different boiling-points of alcohol and water to concentrate weak wine into stronger spirits (though some historians assert that the Indians made a fortified beer this way, in or around 800BC).

An explanation may lie in the fact that alcohol, when distilled from fermented drinks, typically contains traces of poisonous methanol. Since methanol vaporises at a lower temperature than drinkable ethanol, the trick is to discard the first part of any distillation. Sadly, many prospective tipplers probably perished before the Arabs sorted out the technique. It is possible, too, that the bubbly science was set back some years by the Roman emperor Diocletian, who decreed the burning of alchemists' manuscripts in 296AD for fear their discoveries would debase his coinage.

The book-burning was not entirely successful. Medieval Arab science took up the work of the Greeks, as the word alchemy itself suggests. (It is the Arabic article *al-* added to the ancient Greek *kimia*, which referred to the magical science of the black land of Kemet, which is to say Egypt.) Precisely when and by whom the distillation of alcohol was perfected is not known.

Some suggest that Egyptian monks did the deed some time in the sixth century. Others credit the Armenians. There is no conclusive evidence for either theory. What is known is that by the ninth century Arab authors such as Jaber bin Hayyan, an Iraqi polymath best known for elaborating *al-jabr* or algebra,

were describing “flammable vapours” at the mouths of heated wine vessels.

His contemporary, the legendary poet and lush Abu Nawas (who died in 815AD), was less prim. In one ode, versifying over a night of revelry in a Baghdad tavern, he called for increasingly strong drink, ending the session with a liquor that was “as hot between the ribs as a firebrand”. The description clearly hints at something punchier than mere wine.

The etymology of distilling provides further proof of Arab origins. The word alcohol itself derives from the Arabic *al-kohl*, the antimony eyeliner of that name, being used by Arab alchemists to describe any “purified” substance (thus distinguishing “pure” spirits from *khamr*, the common word for fermented drinks that comes from *khamira*, the Arabic for yeast).

Alcohol is made in a still or alembic, which is yet another Arabic alchemical term, appropriated from the Greek *ambix*, a sort of crook-necked vessel. Such a gadget might be used for making eau de vie or aquavit, names which bear an oddly literal similarity to the *maal-hayat* or water of life celebrated in drinking scenes from that medieval Arabic classic “The Thousand and One Nights”. Hardly surprising, considering that the first evidence of distilling in Europe comes from Sicily in the 11th century, when the island was a possession of the Fatimid caliph of Cairo.

Sweet sweat of Araby

As monkish translators of Arab science carried such terminology north and west, the art of making “burnt wine” spread across Europe in an intoxicating wave of brandies, grappas, whiskies, schnappses and vodkas. In the meantime, Arab caravans and dhows transported another pungent expression to the east. Arak, or more properly *araq*, is the Arabic word for sweat or perspiration. This does not refer to the sticky effect of quaffing too much booze. It is a literal description of the process of distillation. When a wine or mash is heated in an alembic, its *araq* collects inside the still's long spout before dripping out as “raised” alcohol.

In Mongolia arak refers to a stiff drink distilled from fermented mare's milk, and has done since the 14th century, as is known from a Chinese treatise that describes the arrival in the Middle Kingdom of this fiery new potion. To Goans, Sri Lankans and Balinese, the same word describes a fire-water cooked up from the sap of flowering coconuts. Tamils brew it from sugarcane, Indonesians from rice wine, thirsty Iranians from anything they can lay hands on, and get away with.

The national drinks of Turkey, Albania and Bulgaria are all known as raki. The Sudanese call their potent version aragi and, despite government-enforced religious strictures, bubble it up in home stills out of date wine or sorghum mash. In the outskirts of Mecca, Saudis secretly brew an even deadlier drink of the same name—but this home-made hooch is still a safer tipple than the methanol-laced after-shave that killed 11 desperate revellers in the holy city last year.

Arak? No phobia

For most Arabs today, arak has come to refer specifically to the aniseed-infused, wine-based liquor that is manufactured all over the Arab east, from Baghdad to Beirut. Yet it is further testimony to Arab influence that the taste for anise spirits extends across the Mediterranean and beyond. The raki that Turks call “lion's milk” is close to the Arab original. Greek ouzo, and its stronger cousins tsikoudia and tsipouro, are aniseed araks, sometimes elaborated with mastic and other herbs.

The arak of choice—for travellers, at least

Italy's sambuca is a sweeter version, made from witch elder and liquorice, which is drunk neat as a liqueur, but the more local mistra of the Marche region is straightforward arak, often drunk, like the original, diluted with water. The Spanish have exported their taste for such liqueurs as ojen and anisado to Latin America, where they appear in forms such as Colombia's robust aguardiente anisado.

France, of course, has its passion for pastis. Others may find the stuff syrupy and cloying, but the French manage to swallow an astounding 75m litres a year.

Understandably, those not familiar with Levantine arak tend to assume it is much like pastis. But connoisseurs find little resemblance, beyond the fact that both are strong, taste of anise and cloud mysteriously when water is added. (The clouding is caused by emulsification of the anise oils suspended in alcohol.) Pastis is sugared, and flavoured with a range of herbs, including liquorice and star anise imported from Indochina. Its base alcohol is of the cheap variety, typically distilled from sugarbeet. It is drunk, copiously, as an afternoon aperitif.

A proper arak, by contrast, has only two ingredients, grapes and the native aniseed of the Mediterranean. It is drunk not before or after meals, but with them. The uninitiated may flinch at the notion of washing down food with a pungent spirit. But dilution with two parts of water renders arak only slightly more intoxicating than a strong wine. And because arak clears the palate more efficiently than wine, it makes the perfect accompaniment to a Middle Eastern mezze, the array of small, tasty morsels that typically includes such contrasting flavours as bitter olives, fresh almonds, spring onions, goat's cheese, raw minced lamb, and chicken livers stewed in pomegranate juice.

Syrians, Israelis, Palestinians, Jordanians and Iraqis—at least until some Shia fanatics trashed Baghdad's distilleries last May—have long happily quaffed their own araks. But most would concede that the best of the lot is Lebanese. Arak is not just Lebanon's national drink. For many it is a passion, to the point that most of the arak consumed in the country is not factory-produced, but home-distilled. The residents of one typical little Maronite village in the mountainous Kesrouan region, for instance, reckon at least ten families there run their own stills.

Some home-brewers cheat, as do the makers of Lebanon's cheaper commercial brands, by buying industrially produced ethanol and flavouring it with anise extract. The more conscientious follow traditional methods to the last detail. Elias Fadel distils just 1,000 bottles a year for the exclusive use of his family's restaurant, Fadel, which is set on a pine-forested ridge above the town of Bikfaya. The effort is costly in time and money, but the result, he says with a gleam in his eye, is worth it.

Every September, Mr Fadel buys ten tonnes of obeidi grapes, a native Lebanese variety that is said to be an ancestor of chardonnay. Gently crushed, the grapes are left to ferment for three weeks in barrels in the restaurant's basement. The fresh wine is then transferred to a copper still. This contraption, hand-fashioned by Muslim coppersmiths in the bazaars of Tripoli, looks unchanged from medieval models.

The first distillation, with the toxic tops and tails removed, produces a highly concentrated spirit. With fresh water having again reduced the alcohol level, precise portions of unwashed, uncrushed anise from Hineh, a village on the Syrian slopes of Mount Hermon, are steeped in the liquor before a second round in the still.

Give it the old 53rd degree

Unlike the makers of common spirits such as whiskey, Mr Fadel does not stop at a second distillation. He proceeds to a third and even a fourth, topping up the arak with water each time before bringing it down to 53 degrees of alcohol, Lebanon's government-mandated standard. The crystal clear liquid is then matured in clay jars for at least a year. The large jars, which look just like Roman amphoras, are slightly porous. Mr Fadel reckons that with the multiple reduction of his distilling, followed by the loss of up to 15% of the arak from evaporation, his cost per bottle is about $10, not including his own labour.

This explains why Lebanon's better commercial araks are as expensive as imported spirits. Competition, along with changes in the Lebanese way of life that have made Beirut's long, arak-soaked lunches a rarer treat, has certainly cut into sales. (In Greece, similarly, whisky now outsells ouzo.) Yet recent years have seen a return of interest to the national drink. Whereas long-established brands, such as Ksara and Fakhra, now tout their adherence to traditional arak-making methods, newcomers have added a touch of glamour to the high end of the business.

One such is El Massaya, a fast-growing winery founded by two brothers who returned to the militia-infested Bekaa valley after sitting out Lebanon's 1975-89 civil war in the West. “The local mayor told my father, your son has gone berserk, wanting to make alcohol here,” says Sami Ghosn. “I had to drive around with a Kalashnikov in the car.” Convinced there was a niche for ultra-traditional arak, the Ghosn brothers insisted on using vine-wood fires to heat their double-headed still, and persuaded traditional potters to come out of retirement to make their first ageing jars. El Massaya's cellars now bulge with hundreds of arak-filled amphoras. In duty-free shops across the region, its dusky, blue-tinted bottles are the arak of choice. Sooner or later, Mr Ghosn believes, the rest of the world will catch on.

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Bactrian gold

A treasure hunt

Dec 18th 2003 | KABUL AND SHEBERGHAN

Bridgeman

The case of Afghanistan's missing cache

THE mound lies just beyond the oasis town of Sheberghan in northern Afghanistan, on the plain that slips south to the Hindu Kush and north to the banks of the Amu Darya, or Oxus. This was once Bactria, where the Hellenic world briefly touched and intertwined with the worlds of the Indus and the Siberian steppe. Greeks prospered here for a century or so after the death of Alexander the Great, in 323BC, and then were driven off. The mound is anonymous now, barely noticeable from the road. It stands three metres (ten feet) high, 100 metres in diameter, lopped square like a Celtic barrow, the whole of it overgrown with pale weeds. Locals named it Tillya Tepe, or Hill of Gold, long before the Soviet archaeologists came and revealed its treasures.

That was in the winter of 1978-79, just before Afghanistan descended into 23 years of war, leaving 1.7m dead. In the last days before the beginning of that nightmare, a Soviet archaeological team led by a Greek-Russian, Victor Sariyannidis, unearthed 21,000 pieces of gold in six burial chambers within Tillya Tepe. The hoard had belonged to the rich Kushan nomads buried there around the time of Christ. It had lain undisturbed for two millennia.

They were ecstatic at first, but, as the months passed and still they were picking the gold from the freezing clay, they became increasingly frightened. The value of their discovery was such that the Afghan army had to be called in to guard the site. KGB men from Moscow began to take an interest. Political officers arrived too, keen to use the dig as an advertisement for fraternal relations between the Soviet Union and the new communist regime in Kabul.

The burial chambers were simple, and their flimsy ceilings soon collapsed. But the treasure was extraordinary, partly Siberian Altai, partly Greek. In one chamber a horse skull was found; in another, in the mouth of a young woman, was a silver coin, the toll due to Charon for her passage across the Styx into the underworld.

Coruscating Kushans

Much of the treasure adorned what was left of the decomposed bodies. Indeed, every bone seemed to have had the Midas touch: anything in contact had been turned to gold. The Kushan nomads had a weakness for all that was flash or gaudy. They had no higher ambition than to dazzle from afar as they dashed across the steppe. Semi-spherical gold plaquettes stitched to the burial robes and kilts were taken by the bucketload from vertebrae and femurs. The cloth itself had largely decayed—except for the

weft, which had been of gold thread, indestructible even to the burrowing rodents that had tried to tug it away. The sandals too were of gold.

The other treasures in the mound were no less glittering. A model tree fashioned of gold and hung with fruit of pearls. A salver grooved in tangerine segments and inscribed in Greek. A griffin cut into milk-white chalcedony. Pendants of agate, garnet, turquoise and cornelian. Sharpened boar tusks set in gold. A representation of Aphrodite according to Bactrian tastes: stern and plump with small, thrust-out breasts. A man riding a dolphin upon a belt buckle. A gold crown that could be taken apart and packed in a saddlebag. A Chinese mirror. Dragons with wings of turquoise mauling leopards down the length of a gold scabbard. Coins from Rome, Parthia and India. Bits and bridles in Siberian style and studded with gems, the better to show off the flight of the horses that wore them.

All of this Bactrian gold, as it has come to be called, was painstakingly photographed and inventoried by the Soviet team and signed over to Afghanistan's National Museum in Kabul in 1979. It was last seen in 1989 when President Muhammad Najibullah showed it to foreign diplomats to prove it had not been taken by the retreating Russians. Then it vanished. Najibullah claimed to have set it in the national vaults, but no one could verify that. Afghanistan collapsed into civil war.

By this time, shady foreigners trading arms for emeralds and opium had got wind of the Bactrian gold. Some went after it, but without success. Pessimists thought the treasure had been melted down, or perhaps smuggled out of Kabul by the mujahideen—Islamic fighters—or hidden by disaffected communists.

When the Taliban—self-styled Muslim students—took Kabul in 1996, their first port of call was Najibullah's hiding-place. There the former communist leader was beaten senseless and castrated, before being dragged behind a pick-up around the old royal palace and then hanged. Whatever he knew of the gold died with him.

The next place the Taliban went was the central bank. Da Afghanistan Bank, as it is known, was built in 1931. Despite everything—a bomb exploded outside it in 2002, killing dozens—the bank still has traces of 1930s style. About a dozen senior Taliban came swinging through the revolving door with its inlaid brass and up the broad stairs to the walnut-panelled offices of the governor, says one of the bank's vault-keepers. This man—call him Mr Mustafa for safety's sake—was asked to show the intruders the vaults, not the one for everyday use under the main building but the one used for national treasure in the grounds of the nearby presidency.

Bank officials were reluctant to let the Taliban enter. A certain protocol had to be followed, they protested. A gun was held to Mr Mustafa's head, and another guard was pistol-whipped. “We opened the vault only when we saw they were serious about killing us,” explains another official.

The rape of the lock

Mr Mustafa opened the vault's door at gunpoint. The raiders were worried that the retreating forces loyal to Najibullah had taken the country's gold reserves with them. They entered and took measure of the gold bars. They were all there. The raiders relaxed. Mr Mustafa was charged with locking the door behind them on the way out. “Something happened to me just then,” he said. “I thought to myself that this gold doesn't belong to these men. It belongs to all the people of Afghanistan. So I put the key in and turned it backwards.” There was a snap. A fragment of the key remained in the lock. Mr Mustafa left it there. It was never discovered by the Taliban. Lucky for Mr Mustafa: he was to be jailed for three months and 17 days by the Taliban for another misdemeanour. Discovery would have meant execution.

When the Taliban briefly reopened the National Museum, in May 2001, there was almost nothing left to show. The zealots' campaign of smashing statues depicting living forms had recently resulted in the destruction of two enormous Buddhas dating back to between the second and fifth centuries, in the province of Bamiyan. The vandalism in Kabul had been just as grave. The museum had been shelled and plundered by all sides during the civil war. Its collection of 30,000 or so coins was gone. So too were the precious Bagram ivories depicting swirling naked courtesans, dug up by a French team in 1937.

But where was the Bactrian gold? Certainly not in the museum. Had it been sold? None of it had appeared on the open market. That could mean it was safe—or that it had been melted down without trace. Mr Sariyannidis had last seen it in 1982. He could not believe it lost. “It is simply not possible that artefacts of such value can just disappear in front of the eyes of the world,” he said. In Afghanistan it

was indeed possible.

The Taliban made no further attempt to get into the presidency vault until November 12th 2001, the eve of the liberation of Kabul. Then a crew of the most senior commanders still in the city descended on the central bank. They opened the everyday vault easily enough, stealing dollar bills worth $5.2m, and Pakistani rupees and local currency worth another $800,000. Then they moved on to the presidency vault, opening two sets of doors before reaching a third door behind which the bullion was stored. Colleagues on the streets were already being lynched. Overhead, American planes were dropping bombs. The forces of the Northern Alliance, the foot-soldiers for the Americans, were on the Shomali plain above Kabul, preparing to enter the city the next day.

Yet the Taliban commanders worked the bullion door for three hours. Keys were tried in vain. A locksmith was brought, but was unable to see the shard of broken metal from Mr Mustafa's key that jammed the lock. Crowbars and hammers were useless. Dynamite was considered and dismissed: it might have brought down the roof. Eventually the raiders fled, carrying only the $6m from the central bank.

Kabul was rid of the Taliban. Life settled down. Mr Mustafa shaved off his beard. Still nothing was heard of the Bactrian gold. No one came forward. Officials who may have known something remained silent. “I will not speak about this,” said the director of the National Museum coolly. “Too dangerous,” agreed jittery members of the new government.

A turn-up for the book

Then, in early August, a senior banker started to talk in confidence. Some months before, he said, he had been charged with clearing out the upper level of the presidency vault to make way for quantities of newly printed notes of the local currency. His men shifted crates of worthless Soviet-era coinage from one cage to reveal ten tin trunks set back in the corner. “These were the kind of cheap trunks you use for clothes. They were padlocked. We examined the seals. It was the Bactrian gold.”

The secret held for a while. Then, on August 28th, the bullion door was at last opened, for the first time since Mr Mustafa had turned the key backwards in 1996. A painstaking local locksmith had succeeded in picking the lock. Afghanistan's president, Hamid Karzai, was present for the opening, along with the central bank's governor, the finance minister and the justice minister. A television camera was allowed in. Mr Karzai was filmed holding a gold bar. “Everything is safe,” he said. In all there was $90m in gold bars and coins and another $20m in cash, mostly sterling.

The Bactrian gold was also safe, said ministers. They claimed to have seen it. That was untrue. The trunks remained unopened, since the keeper of the treasure had died, and a successor had yet to be appointed. But the gold was indeed safe.

The Taliban commanders had passed it by. They could easily have forced the cage and stolen it had they known where it was, but the trunks had been hidden by crates of old coins. Afghanistan had been turned bloodily upside down, but the gold was exactly where it had been left in 1989. The beads of chalcedony, the ibex and the dragons, the gold crown—all were there, wrapped in cloth. Three inventories had been kept, it turned out, one with the culture ministry, one with the keeper of the treasure and one locked inside the trunks.

A story with a happy ending, then, and a rare symbol of hope for Afghanistan. Some bank officials now fret about a possible raid on the presidency vault. It would take some doing. The bullion door—made in West Germany to the highest standards—seems pretty secure. The grounds of the presidency are anyway now criss-crossed with laser tripwires and patrolled by heavily armed American mercenaries. Even so, by some accounts, the ten tin trunks of Kushan ostentation are being moved on, just to be safe.

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Indian spirituality

The swamis

Dec 18th 2003 | BANGALORE, DELHI AND RISHIKESH

Lonely Planet

Everybody agrees that India is a very spiritual place. Is that all good?

"WRITE!" instructed the severe-looking swami, adjusting his spectacles. *The Economist* put pen to notebook and wrote: "All work is worship." In truth a kind man, the swami, Gokulananda, of the Ramakrishna mission in Delhi, was helping *The Economist* understand the role spirituality plays in Indian society and politics. He went on to talk of the need to strike a balance between contemplation and action, and to unleash the power that lies dormant within every human being, like a coiled serpent.

For a newspaper that brandishes its rationality, its faith in human intelligence, "which presses forward", in the small print on its contents page, this was one of a series of disconcerting encounters. Our journalists are not used to writing about the divine. If our work is worship, almost all of it is at a secular altar.

Many saffron-robed swamis—those, in western parlance, who have taken holy orders—were benevolent enough to try to enlighten *The Economist*. None had a moment's hesitation in accepting the proposition that "spirituality", broadly defined, is an essential part of what it means to be Indian, and that India is a uniquely spiritual place. Many foreigners agree. Generations of westerners have travelled to India in the hope that some of its spirituality will rub off, and thus help them get closer to enlightenment than they would if they just stayed at home.

Many come to Rishikesh, a holy city built where the sacred river Ganges comes tumbling out of the foothills of the Himalayas to meet the great north Indian plain. The ashrams, or retreats, there house spiritual tourists from Israel and Italy as well as from all over India and, once upon a time, from Liverpool—the Beatles.

At sunset on the banks of the river, a tousled man plays a serene flute. A German blonde meditates in the lotus position. On a rock, a swami, also in full lotus, reads the scriptures, apparently oblivious to all distractions. From the shadows another saffron-robed figure emerges. He proffers a name card promising "palmistry, meditation, eye-opening discourses, initiation in swami's life of cosmic adventures", as well as "travel guidance". His e-mail ID is "iamtheuniverse" and he advertises a link with the Intergalactic Culture Foundation in San Pedro, California. "Get all your spiritual questions answered," suggests the card. We did not.

Often quoted is a saying of Swami Vivekananda, a 19th-century saint, that every nation has a "special genius", and that India's is religion. Four of the world's great religions were born here: Buddhism, Jainism and Sikhism, as well as the oldest of them all and the source of the tradition from which these swamis speak, Hinduism. The most famous leader of India's independence struggle, Mahatma ("Great

soul") Gandhi, was as much concerned with India's spiritual well-being as with its political liberation.

Karan Singh, once regent and governor of the former princely state of Jammu & Kashmir, into whose royal family he was born, is a writer on Indian culture. He believes that "for us, religion is all-pervasive; it dictates all we do." So in India, in contrast to a western country of Sunday churchgoers, the religious life "is not divorced from public life." In the West, religion has become an "antiseptic distilled water". In India, it is like the holy river Ganges: "It looks muddy, but it is there."

Holy dips and hugathons

Many Indians plunge right in. You do not have to look far for evidence of the pulling-power of religious faith in India. Last August and September, the devout descended in their hundreds of thousands on the town of Nasik in Maharashtra, for the three-yearly Kumbh Mela. This is a festival beloved of the western media for its colourful spectacle: the hordes of bearded, ascetic, often dreadlocked, holy men, many wearing the saffron, some nothing at all; the cars and lorries decked out like chariots; the lumbering elephants; the *shahi snan*, the mass bathing in the river or in specially designed reservoirs, after queuing up along the ghats, the steps and platforms lining the rivers of India's holy cities. The bather is cleansed of his sins.

The English-language press describes the ancient ritual in the language of P.G. Wodehouse: "a holy dip". This year, however, the Kumbh Mela was marred by disaster: a stampede to the ghats left around 40 people crushed to death.

Besides such hugely popular festivals, India is rich in holy people who draw large followings. September also saw the 50th-birthday celebrations of Mata Amritanandamayi, a "God-woman" widely known as "Amma". Held over three days in a sports stadium in Kochi (formerly Cochin), in the southern state of Kerala, the party attracted over 1m people. They included devotees from 131 countries, and an impressive sprinkling of India's great and good, including the president, A.P.J. Abdul Kalam, the deputy prime minister, Lal Krishna Advani, and several chief ministers of Indian states. They were joined by a number of leading businessmen, including Mukesh Ambani, boss of Reliance, one of India's biggest companies.

Generations of westerners have travelled to India in the hope that some of its spirituality will rub off, and thus help them get closer to enlightenment than they would if they just stayed at home

Amma, the illiterate daughter of a poor fishing family, is an unusual sage. No silver-tongued preacher, she does not go in for philosophical discourses. Rather, her most famous gift is for hugging. At her gatherings, people queue up in their thousands to be clasped to her bosom, and relish the feeling it gives, of warmth and wisdom. Her followers estimate she has hugged more than 21m people over the years. Asked why she did it, she once replied it was like asking a river why it flows.

Hinduism is an unusual religion in not having been founded by a single prophet or his followers. Pluralism is built in. It has never been a "church". Instead, holy men—and the occasional woman—have appeared through the ages and drawn disciples who have formed foundations and ashrams. Nowadays some of these gurus, or teachers, head global enterprises. Amma's foundation, for example, runs ashrams in over 30 countries. Devotees make donations and the foundation spends the money: on a network of schools, on earthquake-flattened parts of the state of Gujarat, on a hospital in Kochi.

Even bigger is Art of Living (AoL), the foundation formed by Sri Sri Ravi Shankar, a guru with a big following among the urban middle classes. Indeed, in his youth he shared a guru with the Beatles: Maharishi Mahesh Yogi. Like Mahesh Yogi, he has a puckish charm that makes holiness seem fun. And like his guru, he is an international spiritual superstar: AoL claims to be the world's largest non-governmental organisation, with operations in 141 countries, having, says its founder proudly, just opened in Kazakhstan.

On a balmy evening in his ashram just outside the southern city of Bangalore, the guru holds forth in a kind of transcendental management-speak larded with pithy one-liners: of the need to "globalise wisdom"; to maintain an organisation with "thin borders"; to take the best from everywhere—German teamwork, Japanese precision, Indian human values (and—an afterthought produced out of generosity to *The Economist*—British decency).

AoL has what you might call an appealing business model. Besides attracting donations from its often well-heeled disciples, it also sells classes to businesses in the guru's breathing and meditation techniques. These, he says, are proven to raise productivity and reduce absences through sickness. His followers agree. One is Nikhil Sen, who runs Britannia, a food firm that recently went through a bruising boardroom battle. He describes how AoL's courses helped staff adjust to the difficult conversion of a factory in Delhi from making bread to making biscuits.

Choose destiny

So AoL is rich. This is evident from the new meditation hall built to the guru's design: a five-tiered wedding cake of a structure, rimmed by 1,000 carved petals, and visible at night for miles around thanks to a computer-controlled lighting system that changes the colour of its glass cupola every few seconds. But AoL's wealth is most obvious in the huge range of social work it carries out: one of its activities is named, with characteristic marketing nous, the “Five H” programme (Health, Hygiene, Homes, Human Values and Harmony in Diversity). It works in prisons and among the poor in 15,000 Indian villages in 21 states. It also works abroad, even in Iraq, where it has sent doctors, and trainers in AoL's courses.

To his disciples, however, Sri Sri Ravi Shankar is far more than a business guru and formidable do-gooder. His achievement has been to offer his teachings in packages that suit everyone from the office-worker seeking relief from stress to the dedicated truth-seeker prepared to drop everything and follow his guru.

At his ashram, he delivers daily *satsang*s, or religious discourses. The atmosphere at one such session, in August, was jolly, indeed jubilant. Young people who had completed advanced AoL courses, with a view to becoming trainers themselves, were dancing, chanting and singing to celebrate a festival devoted to the elephant-headed god Ganesh. The guru presided seraphically, preached a sermon on the festival (“God should not be taken too seriously; He gets bored”), and answered questions with the aplomb of a stand-up comedian. Asked about the interplay of karma (destiny) and free will, he solved the philosophical dilemma in six words: “What you choose is your destiny.”

Hinduism has always been diverse, so even in the more austere, older foundations, there are few open critics of popular gurus such as Amma and Sri Sri Ravi Shankar. But there is a hint of concern and disdain in the comments of less flamboyant swamis. Nikhilananda, a cerebral swami at the Chinmaya Mission in Delhi, says Sri Sri Ravi Shankar has presented philosophy practically and sensibly; AoL does good work and is useful in spreading awareness, but it is like a “craze” and lacks a stable foundation. It is “user-friendly”, but that has a drawback: when something goes wrong, people will not be able to repair it. It relies on its charismatic founder.

Swami Nikhilananda is one of those convinced that, although India is prey to a lot of corruption and superstition, “deep down there is a spiritual core”. He and others who say this mean more than that large numbers of people take part in religious festivals and flock to honour famous gurus. Their creed, known as “Vedanta” Hinduism, preaches the unity of all religions, and argues that all are different routes to the same end. As Karan Singh puts it: “Who are we, denizens of this tiny speck of dust, to say that in the whole cosmos there is only one path to the divine?” Swami Yogaswarupananda, of the Divine Life Society, another Vedanta-based foundation in Rishikesh, has the same idea: “Spiritual hunger is common to all; but tastes differ. There are different forms of God to suit all tastes.”

If India is so spiritually rich, and spirituality transcends the details of individual faith, why has the country been so prone to religious strife?

This, however, raises a difficult question. If India is so spiritually rich, and spirituality transcends the details of individual faith, why has the country been so prone to religious strife? The swamis, of course, point out that the political exploitation of religious prejudices is none of their doing. But could they not do more to stop it?

For years now, the rising trend in Indian politics has been *hindutva*, or “Hinduness”, a nationalist set of beliefs that asks Indians to take pride in the traditions of the majority Hindus. Perhaps inevitably, this has sometimes taken the unhappy form of raising hostility towards minority religions, especially Islam, which is followed by about 12% of the population. Indeed, to many Muslims, all the central items on the *hindutva* agenda seem directed at them. These include the demand for a national ban on the slaughter of cows, sacred to Hindus. Second is the campaign for a “uniform civil code”—a reference to the separate family law that governs Muslims and is seen by many Hindus as an unjust affront to the idea of a unified,

“secular” state.

The fury of the fanatics

Third is the movement to build a temple on the supposed birthplace of the Hindu divine ruler, Ram, at Ayodhya in Uttar Pradesh. A mosque, built on this site in the 16th century by Babur, a Muslim invader, was demolished by a mob of Hindu fanatics 11 years ago. Communal violence ensued in many parts of the country, and the dispute still stirs passions and hatred. The Bharatiya Janata Party (BJP), which heads the present coalition government, rode to power on the back of the Ayodhya campaign and, in the coming year, facing a general election, is likely to revive it.

Politicians, naturally, are loth to admit they mix politics and religion. Even Uma Bharti, a fiery BJP leader, who has faced a criminal investigation for her alleged role in the riot that led to the destruction of the Babri mosque, is coy about it. The BJP, she claims, is the party of “the most secular people”. Yet she is a *sanyasin*, a celibate who has renounced everything, to dedicate herself to religion and service: the first *sanyasin*, she says, in the 56 years since independence to go into full-time politics. But, she adds, this is a very personal matter, as much part of her as “the colour of my skin” and has “nothing to do with politics”, except that it makes her more ruthless because she has nothing to fear.

Campaigning this year as the BJP candidate for chief minister of Madhya Pradesh, a large central state, she denied that Ayodhya had anything to do with religion. Rather, it was an issue of national self-respect and identity. There happened to be a mosque on the site, but it could have been any other “monument of victory”. Similarly, the question of cow slaughter is not one of religion but of economics: look at the Netherlands, floating to prosperity “on a river of milk”. How, she asks, can India afford to kill cows?

Karan Singh says that Vedanta and *hindutva* are “opposite poles” of Hinduism, comparing them to two forms of Islam: respectively Sufism, a personal, mystical strain and Wahhabism, with its more fundamentalist doctrine. If Vedanta has a political party, he says, then it is Congress, now the main national opposition. But Congress does not represent it as closely as the BJP does *hindutva*.

Congress is, after all, like India's constitution, avowedly secular. Sir Mark Tully, a British broadcaster and writer, this year made a television documentary about India (“Hindu Nation”), in which he argued that religion and spirituality were so much part of Indian life that to exclude them from politics would be dangerous, and bound to lead to distortions. He was immediately—and unfairly—condemned by many liberals in Delhi as having become a cheerleader for *hindutva*.

It is hard, however, for Hindu sages to condemn *hindutva* ideas, and hence hard to disentangle the “spiritual” from the religious. On the issue of Ayodhya, for example, Sri Sri Ravi Shankar might be expected to urge compromise on his Hindu disciples. He has a huge following, a message of universal human values and access to, as he sees it, “desperate and helpless” politicians who ask him for a blessing and spiritual support. Art of Living, moreover, is open to people of all faiths. But in fact, discussing the Ram temple, its guru starts to sound less like a spiritual leader and more like a politician, talking of the long history of “appeasement of the minority community”, and of the unfairness of a system that subsidises Muslims to go on the *haj* to Mecca, while making Hindus pay a fee to take a dip at the Kumbh Mela.

Swami Nikhilananda, like Sri Sri Ravi Shankar, blames the media for much of the trouble over Ayodhya and other religious disputes. If a Hindu commits a crime, he says, it is presented as a loss of tolerance. But, as when a cow is attacked by a tiger and suddenly shows an unbovine violence in self-defence, you have to examine what prompted it. In Rishikesh, Swami Yogaswarupananda argues that there is no point appealing to politicians since they come to holy men only for their blessings, and do not listen to their advice.

That is a shame. But it is perhaps to be expected of politicians. Hinduism's men of faith, however, might be expected to speak unpopular truths. As the severe-looking Swami Gokulananda argues, the age of “exclusive spiritual practices” is gone; what is needed is a “new monasticism”. He then dismissed *The Economist*. “I have told you enough.”

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About sponsorship

Chief executives

Humbled

Dec 18th 2003 | NEW YORK

Pity the poor, post-Enron company boss

WHY would anyone nowadays choose to be the boss of a big American public company? Sure, the top corporate job used to be worth having in the go-go turn-of-the-millennium years now known simply as “Before Enron”. Back then, until the autumn of 1BE (2001AD) the chief executive ruled the business as if by divine right. He—and it usually was a he—spoke, his employees jumped. He could hand-pick his own executive team and, for that matter, the members of his board—who, curiously, seemed disinclined ever to disagree with him. Investors, and even the general public, hung on his every word. Television channels fought to interview him, and not just for business programmes but for mainstream ones too. With a few words about techniques and triumphs, his memoirs might become a bestseller.

The perks were fabulous. True, few did as nicely as Jack Welch, the most celebrated of all imperial bosses, who managed to persuade GE to provide him with (among other pleasures) tickets to baseball games and Wimbledon finals, a personal cook, flowers, laundry and wine—even after he had retired from the business.

Nor did most bosses help themselves as much as did Dennis Kozlowski, boss of Tyco, before his prosecution this year on charges of looting his company. Tyco coughed up for a $2.5m mansion, helped buy a yacht and met the $2m bill for a birthday party for his wife (which featured a cake with exploding breasts and a version of Michelangelo's David that peed vodka). But then few chief executives felt the need to go that far, given that they could typically decide their own remuneration (think of a number, double it).

Add to that gifts of shares in hot initial public offerings from Wall Street firms hoping to win investment-banking business from the boss's company. And, of course, the boss's right to allocate fistfuls of dollars from the company's charitable funds to his pet cause, giving him both a warm inner glow and the social benefits of a big role at its gala dinner. Oh, and don't forget those enjoyable gatherings with fellow corporate titans, to sort out the world's problems at Davos or simply to camp, hang out and sing songs with other rich, powerful chaps in the Californian woods at the Bohemian Grove.

Even the job itself was fun. Investing in growth and having a big vision was the order of the day, not hard decisions to meet tight budgets and fire workers. In the years BE, contented shareholders, rapacious bankers and fawning Wall Street analysts cheered on the emperors of the executive suite as they pursued global domination through ever grander acquisitions.

Taking get-up-and-go a bit far

Happy memories indeed. Now chief executives are regarded by the public with the sort of disdain and distrust usually reserved for politicians, lawyers and journalists. Things may have improved a bit since last year, when *SatireWire*, an online magazine, caught the mood with an article headed, “Remaining US CEOs make a break for it: Band of roving chief executives spotted miles from Mexican border”. But not a lot. A recent report by the American Enterprise Institute, a Washington think-tank, noted that only 16% of the American public now think that corporate executives have “high honesty and ethical standards”, down from 25% in 2001.

In private, many chief executives complain about how all their reputations have been tainted by Mr Kozlowski and other “bad apples”, before going on to express the hope that enough of the baddies will end up in jail—except, of course, for the unfairly picked on Martha Stewart—to assuage the public's anger. Then the many good apples, as they see themselves, can get on with creating a more virtuous public image for the post-Enron boss.

No one should underestimate the scale of the change now under way in the role of the American captain of industry. There will no doubt be some throwbacks, probably when the next economic boom arrives, but the days of imperial executive swagger are over for a while. The new breed of bosses will be less powerful, less publicity-seeking, probably less lavishly paid and certainly less conspicuously opulent than people like Mr Welch and Mr Kozlowski. The transformation will be a bit like that of some grand European monarchies into “bicycling royals”.

The clearest sign of change is that you now see much less of chief executives. If they are not actually hiding out south of the border, it can certainly seem that way.

In the years BE, bosses would fight furiously to appear on America's specialist business television channels, notably CNBC and CNNfn. Merger deals, it was said, were often struck between tycoons passing in the studio's green room. A company's share price jumped when its boss appeared on television—so hedge funds tried to discover who was on each day, in order to trade on the information. Now, says Rhonda Schaffler, a CNNfn anchor, many fewer chief executives will go on television even to discuss their company's latest results, something they would invariably want to do in the past. For instance, the last time Texas Instruments, a big computer business, released results, it merely offered to field a company spokesman, not the boss. Many businesses nowadays decline to be interviewed at all.

Bigmouths take the Fifth

When bosses do appear, they are a lot more cautious about what they say, adds Ms Schaffler. In part, this may reflect a growing fear of regulatory and legal risk, after the passage of the punitive Sarbanes-Oxley act and a series of shareholder lawsuits against boards and businesses. But in part it reflects a wider fear—fear of the public and fear of the media.

Chief executives think the media have unfairly tarred them all with the same brush. Mr Welch's treatment is seen as proof of the press's fickleness. Having been its corporate darling for 20 years, Mr Welch suddenly found himself painted as something between a scoundrel and a figure of fun when he left his wife for the editor of the *Harvard Business Review* and his wife then revealed details of his perks in the ensuing divorce. “Who needs that sort of attention?” asks one boss, who, er, declined to be named in this article.

Yet chief executives in this era of greater scrutiny and faster turnover in the executive suite may simply fear being seen to be wrong about anything. So they avoid saying anything they do not absolutely have to say. As a result, “Nobody wants to call the turn in the economy now, they don't want to stake their reputation on it,” says Ed Trissel of Vistance Group, which offers advice on communications strategy. Perhaps no one demonstrates this change better than John Chambers, boss of Cisco. In the bubble years, as his internet-equipment company's share price soared, he was always popping up to talk boldly and optimistically about almost anything—including how Cisco would generate revenues of $50 billion by 2004 and become “one of the most influential companies in history”. By November 2003, when Cisco announced its highest quarterly revenues in three years and a 76% jump in profits, Mr Chambers could manage only this rallying cry: “While things are starting to look better, it is still fragile.” Gosh, John. Really?

Grey men for grey stories

But the new reticence of chief executives also reflects a sharp change in corporate communications. “Firms have decided to present themselves as institutions, not as individuals,” says Robert Dilenschneider, a veteran public-relations adviser. Promoting the firm's “Mr Big” used to be the main idea. Now companies are increasingly telling their story through their achievements, not the magnetism of their bosses—and, better still, through the achievements of their clients, he says.

Of course, most bosses will still play some part in promoting their firm in public. But gone is the “constant visibility” objective of the 1990s, when chief executives felt they should be seen as often as possible at conferences and on television, almost regardless of what they said. Today a boss's appearances must be chosen discretely and discriminately, to get a specific message across, says Mr Trissel. Companies now ask, is it absolutely necessary to appear in this story? If not, they won't.

One change in communication policy is actually being welcomed by some chief executives: fewer personal meetings with Wall Street analysts. This is partly the result of Regulation FD, which requires companies to disclose information in ways that treat all investors equally and fairly. It also reflects the discrediting and culling of many Wall Street sell-side analysts. There are now fewer of them, and courting them is less useful. Some chief executives say they feel less pressure to achieve difficult short-term profit targets, and more able to discuss longer-term plans (if they have any) with any analysts they do talk to.

Moreover, bosses must now spend more time on the rather harder job of talking to their workers. The tougher economic conditions of the past three years have made work less happy and less lucrative for many of those employees lucky enough to have held on to their jobs. Keeping them motivated and enthusiastic about their business has been a big task, and advice on how best to do it has been one of the few areas of growth in the past year for communication consultants.

Downsize the ego

This has had some unexpected consequences, not least a growing reluctance of chief executives to attend publicity-generating conferences and gatherings unless they are unambiguously in the interests of the company. The fear, says one corporate adviser, is that “by being there, they raise their profile to a degree that is too uncomfortable for them, particularly within their firm. Workers resent seeing their boss hobnobbing with other chief executives at, say, Davos.” As a result, numbers are down at many events. Even the Bohemian Grove is not what it was, according to some of the regulars at the summer encampment of San Francisco's Bohemian Club—a retreat for tycoons, Republican politicians and a core of Californian artists and musicians.

Philanthropy, too, has been wrested from the chief executive's realm into the grip of “corporate strategy” and “reputation management”. Enron's failure highlighted the potential to abuse corporate charity. Had the company, by allowing non-executive directors to make large contributions to pet causes, made them less vigilant in their oversight of management? In any event, philanthropy is now subjected to much greater scrutiny by corporate-governance activists.

At the same time, many bosses have been struck by the way Mr Kozlowski's charitable activities have been used against him. There, but for the grace of God, go they: “Wives used to lobby their husbands to give the firm's money to their favourite charity,” says Mr Dilenschneider. The new emphasis is on what is called “strategic philanthropy”—giving to help achieve specific corporate goals, such as branding, or on projects that show corporate responsibility. This allows little room for a boss's (wife's) sentimentality.

That infuriating right-hand man

The post-imperial chief executive is also likely to feel less powerful and perhaps even less well-off than his BE predecessors. Reforms have pushed companies towards appointing a majority of non-executive directors who are genuinely independent of the chief executive, instead of the golfing chums the boss used to invite into the boardroom. Some corporate-governance activists, such as Nell Minow of the Corporate Library, question quite how genuine this independence will be. But it will surely make the typical chief executive more accountable than before.

Boards are also meeting increasingly in “executive session”, which means without the executives present. When Mr Welch ran GE, he said he would leave if the board ever met in executive session; nobody would dare say that now. Moreover, boards also now typically have an officially designated lead non-executive, whose job is to “work alongside” the chief executive, notably on the preparation of the board's agenda. It will be no surprise if the lead director evolves into something akin to a non-executive chairman at a typical big British business—a development of the past decade that has certainly reined in the typical British chief executive (though he was never as all-powerful as his American counterpart).

It is not just on their own board that bosses will have less fun. Chief executives are likely to sit on the boards of far fewer other companies, and when they do, the work is likely to be harder and more demanding. They may get paid more, but they will have to earn the money. Add to that the growing legal and reputational risk (non-executives are now pilloried in the press when things go wrong) and many chief executives will conclude that what used to be an enjoyable perk is no longer worthwhile.

Executive sessions of the board are increasingly the norm in the area that a boss most wishes they were not: setting his remuneration. Admittedly, it is not yet clear that this actually results in pay cuts (heaven forfend). Nor is the chief executive entirely excluded from the procedure that leads to the executive session. But, says Ira Kay of Watson Wyatt, compensation consultants like him are now hired by the board 75% of the time, whereas, BE, they were hired by the chief executive 75% of the time. Pay proposed to the board by management used to be approved without question nine times out of ten, with the chief executive usually given the benefit of any doubt. Now, says Mr Kay, boards are much more likely to send back a proposed pay package to be reworked.

The lavish share-option awards that enriched so many chief executives in the 1990s are being scaled back. Instead, bosses are increasingly being asked to hold “restricted stock” in their firm which they must keep for the long term, perhaps until they retire, and which, ever more often, they even have to pay for. Shareholders and board members increasingly expect the chief executive to set a good example. The ratio of the chief executive's pay to that of his employees is becoming a hot issue. The resistance by Jean-Pierre Garnier, boss of GlaxoSmithKline, to giving up contractual “rewards for failure” has not gone down well. The voluntary decision by Rick Haythornthwaite, the boss of Invensys, to give up similar rewards for failure has. So, too, IBM's Sam Palmisano's relinquishing of a bonus estimated at $3m-5m, because he felt he had not earned it. If this wind of change is not yet strong, most chief executives have a good idea which way it is blowing.

Tragic, really

All this has left chief executives increasingly sad and isolated. Who to turn to for counsel and comfort, when your old allies have been turfed off your board, your investment-banking friends have proved untrustworthy, you are surrounded by your company's PR cops, and everybody wants to hold you to account?

Only a handful of management gurus remain from BE with any shred of credibility. Ram Charan is still worth talking to, but he is always on a plane, so a chief executive is lucky to get hold of him. The stock of Jim “Good to Great” Collins is also still high; he will at least remind a downcast chief executive that the humble life to which he has been reduced is more likely to result in success than his old imperial ways. Turn, perhaps, to a top “executive coach”, such as Marshall Goldsmith—but he is in great demand and costs a fortune.

How about a chat with an *éminence grise* of the corporate world? If he were really lucky, a boss might be invited to Bill Gates's annual “CEO summit”, or to Herb Allen's media shindig in Sun Valley, Idaho. Alternatively, pay $10,000 and rub shoulders with Harvey Golub, Larry Bossidy and Mr Welch (still thought good value by other bosses, if not by the public) at the twice-yearly “CEO academy” run by Dennis Carey and Marie-Caroline von Weichs—where, in an echo of the old days, photographs are taken by Richard Avedon. Warren Buffett is usually happy to share an oracular thought or two, but there is a lengthening queue waiting for an audience with the Sage of Omaha. And, if Bill George, the former boss of Medtronics, is too busy for a spot of mentoring, he has at least put his views on “Authentic Leadership” in a book that is fast achieving cult status among chief executives.

Then, if running a public company is really too much like hard work, there is always the option of getting rich quietly and unharried by the corporate-governance police in private equity. Or is there? Maybe not. It turns out that those like Jacques Nasser, driven out as boss of Ford into the arms of a private-equity business, may have been one of a lucky few. Private-equity firms can now recruit in a buyer's market,

and not many chief executives will get lucky. The rest may simply have to knuckle down and make the best of a lousy job (except compared with most other jobs)—and repeat, until they believe it, that they never really wanted to be imperial chief executives in the first place.

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Putting animals to good use

Nice work

Dec 18th 2003

Alamy

New tricks for old dogs, in a manner of speaking

NATIVE Americans revere the coyote for its low cunning and high ability to survive. For conservationists, it is an integral part of the scenery of pre-settler America. But for the sheep farmers of the Great Plains and the west, it is simply a pest: a wolf in short pants, a killer of stock, worthy only of eradication.

Attempts to control coyotes have concentrated on culling them. But coyotes have earned the respect they get from those who know them best: despite all efforts to slaughter them, they survive across a huge swathe of North America, munching on sheep with abandon. The country they share with the sheep is often open prairie, and hard to police. A fence is for them just an obstacle to overcome, and poisoned bait an accident waiting to happen to a passing bird of prey, as demonstrated by the death of many an eagle, a better-loved American icon, in the 1970s.

More effective solutions are clearly needed, and a new application of the ancient role of domestic animals as guardians provides one. It turns out that alpacas, llamas and donkeys have plenty of coyote-scaring power. Being herbivores, they eat the same fodder as sheep, and have no desire to dine out on their charges. Llamas and alpacas are naturally inquisitive, and intolerant of intrusion into their space. And the wily coyote is actually a small creature, easily intimidated, which usually hunts alone. Any old llama or alpaca is more than a match for it.

This is no isolated example of the imaginative use of animals in an age that usually seeks a technological solution to even the simplest of problems. In Florida, for example, attempts have been made to press the local manatees into service to devour the water hyacinths that choke the waterways. These amiable sea-elephants, which eat about 10-15% of their weight each day, can be used instead of herbicides, which can do great damage in an environment already fragile and much-abused. It is not a perfect solution: water hyacinths grow faster than the manatees can eat them, they sprout compensatory leaves for every leaf consumed and, alas, they are not the manatees' favourite food. Even so, with proper management, the manatees can do a lot of good.

In other places, too, local creatures have been recruited to do some of the work more usually done by men or machines. In Mozambique a Belgian charity called Apopo has deployed African giant pouched rats to help clear some of the 500,000 landmines that litter the landscape after the country's long years of civil strife. Elsewhere dogs have sometimes been used to clear the detritus of war. But rats are lighter, so

less likely to detonate a buried mine, and smaller, so easier to transport. They also work harder and learn faster than dogs.

With backing from the World Bank, Apopo's rats are now about to be put to use in neighbouring Tanzania, this time to detect tuberculosis in saliva samples. Poor countries are seeing a huge increase in TB: the number of cases in Tanzania is expected to quintuple, to 8m, by 2015. Early diagnosis vastly increases the chances of successful treatment, even in the 40% of infections that are HIV-related. But a trained technician using conventional methods in a lab may be able to analyse no more than 20 samples in a day. Sniffer rats, however, can process over 2,000 in the same time. Moreover, the use of rats is non-invasive and cheap; it requires no fancy instruments, and employs locals who do not need to be highly trained.

Monty Python's flying mousers

In Kenya elephants are threatened not only by poachers but also by farmers, whose crops they often eat or trample under foot. But elephants can be deterred, even, it is believed, by something as small as a bee. In any event, Save the Elephants, a local conservation group, is developing a scheme in which beehives are placed in strategic sites, in the expectation that their occupants, when disturbed, will sting the elephants in sensitive spots—behind their ears or under their trunks. The elephants will stay away, and the farmer may even harvest a bonus in the form of honey.

In central Java the latest recruits to help in the fight against the mice that decimate the rice crop are 300 pythons and ten owls. The officials behind this project are at pains to say that the predators are all indigenous, and that the locals have been trained to react to the sight of a two-metre python not with alarm but with salivation: the same officials hope the pythons will be hunted as a useful source of meat—once all the mice have gone, presumably. Still, there are always the ten owls.

Is it Batman? Is it a plane? No, it's a bird

Birds have long been helping out in similar roles elsewhere. In several large cities, notably London, and in airports from Canada to Japan, raptors have, for instance, been called into service to deal with unwanted gulls, pigeons or other feral birds. Some risk is inherent for creatures other than birds, as one Manhattanite discovered last summer when walking through midtown Bryant Park, only to see his pet Chihuahua swept down on by Galan the Harris hawk, a member of the Park Department's airborne anti-pigeon patrol. In China's western province of Xinjiang, where a plague of giant gerbils is reported to be reducing the grassland to desert, the authorities are breeding eagles to help in their poison-driven war on the rodents.

These examples all reflect the fact that a simple solution is often the best one, provided it is well managed, and provided the lessons of earlier mistakes are learnt. Thus in Wales one of the environmentalist's new friends is the Asian water buffalo, which has been brought from Vietnam to help rid the reed beds of invasive plants. Unlike the local cattle, the buffaloes love to wallow in the water and eat the plants. In the Teifi marshes, they are helping to prevent a boggy nature reserve from reverting to wet woodland, far less suitable for the preservation of dragonflies, damselflies and the rare marsh fritillary butterfly.

Another project involves the use of rare breeds for conservation purposes. Old grazing breeds tend to be hardier than modern ones and thus more suited to the adverse conditions of many endangered habitats. The grazing of creatures like the four-horned Manx Loghtan sheep, the white park (Britain's oldest native breed of cattle) and Exmoor ponies, says Richard Small, one of the project's founders, works well because it manages scrub and invasive heathland plants in a random manner. It therefore has less impact on insects and other little creatures in the food chain, and produces a far more “natural” landscape than humans or machines could.

The benefits of the approach can also be observed in East Anglia, on Redgrave and Lopham fen, the largest remaining river-valley fen in England, and home to the rare fen raft spider. Here, a herd of 13 Polish Tarpan ponies graze under the stewardship of the Suffolk Wildlife Trust. These sturdy beasts, at home in the dampness of the river valley, help preserve the fen and promote a thriving biodiversity—a cheap solution to a tricky ecological problem.

The East Anglian project is one example of the way in which some governments, in Europe at least, are at last trying to encourage farmers to manage their land well rather than just use it to produce as much subsidised food as possible. The British government said in a recent consultation paper that habitat preservation through the use of rare breeds should now be a specific goal, and held out the promise of money to help pay for it. Many taxpayers would prefer to see their money spent on such “environmental stewardship” schemes than on the rape of the countryside in pursuit of unwanted food.

Using animals to solve environmental problems is not a new idea. It was vigorously put into practice when a new faith in science swept 19th- and early 20th-century Europe. And sometimes it worked. Thus the Australian ladybird brought to California a century ago was successful in controlling cottony cushion scale, a common citrus pest, and in 1931 stoats and weasels did a nifty job with a plague of water voles on the North Sea island of Terschelling. But these success stories were unusual. Much more common was the destruction or transformation of the environment, sometimes leading to the mass extinction of indigenous species.

This had been the story in New Zealand, for example, when the colonists tried to create a new-world land of opportunity in the image of the one they had left behind in Europe. Rabbits shipped in as a source of food for the settlers soon ran rampant in the absence of natural predators and diseases. Stoats, brought in to deal with the rabbits, instead turned their attention to local ground-nesting birds, helping to drive several species to extinction.

Australia has been similarly afflicted by the cane toad, an unlovable amphibian brought from South America in 1935 to combat the sugar-cane beetle in Queensland. Since the beetle lives high on the cane, well beyond the toad's reach, the plan failed, but the toads, which exude a toxin lethal to predators, have spread all over the country.

Think green, think greenbacks

Fortunately, some lessons have been learnt. Today no one seriously thinks of simply dumping a wild creature—or, rather, thousands of wild creatures—in new surroundings in the hope that a single desirable change will result: a process of management is applied, with a keen eye both on the entire range of the animals' characteristics and on the broader eco-system in which they will live. Generally speaking, attempts to influence the environment nowadays aim to preserve and restore, not to transform—not least because, in the developed world at any rate, preservation of the environment is increasingly considered to have an economic value. The growing popularity of eco-tourism is one manifestation of this.

So animals can indeed be used to solve environmental problems, and their use will increase when it is shown to be cheaper and more effective than other methods. But such approaches are still far from common, especially in poor countries where animals, plants and unspoilt country may be at the greatest risk of despoliation at the hand of man. Luckily, it is becoming ever more clear that the simple solution is often the best—and, most crucially, the cheapest.

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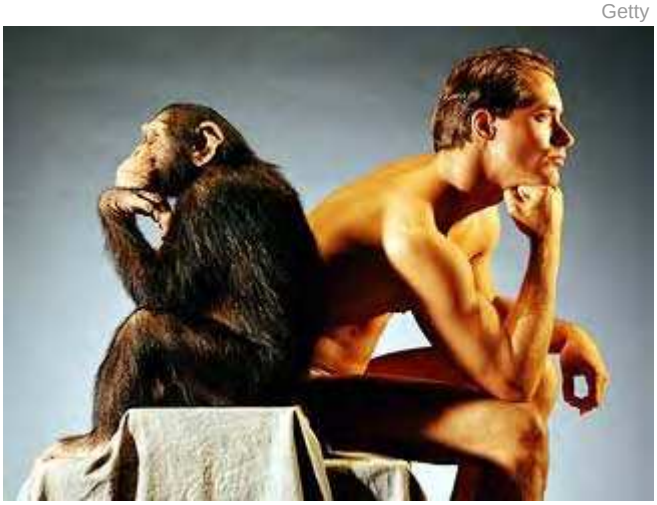
Human hair

The bare truth

Dec 18th 2003

Getty



Why are humans nearly hairless? And why do some wish to become more so?

AT THE back of a hairdresser's shop, just off Piccadilly in London, an Irish beautician called Genevieve is explaining what a “Brazilian” is as she practises her art on your correspondent. A Brazilian strip, some are surprised to learn, is nothing to do with Latin American football. Between each excruciating rip, she explains that she is going to remove nearly all my pubic hair, except for a narrow vertical strip of hairs the width of a couple of fingers. This is known colloquially as the “landing strip”.

In only a few years, this form of waxing has gone from the esoteric to the everyday and is starting to rival the ordinary bikini wax in popularity. At the same time the bikini wax is becoming a normal procedure for women of all ages: the youngest person Genevieve has waxed is a 12-year-old girl. Women are styling their pubic hair into hearts, stars and arrows. It is one of the more notable developments in hairdressing since the permanent wave.

The agony involved raises the question of why women increasingly feel the need to remove a natural covering of hair. One theory is that they are trying to acquire a prepubescent look in order to please men. The waxers, though, will let you into another little secret which suggests that, even if this is true, it is not the whole story. Some men too, both straight and gay, are waxing their most intimate parts. Ouch.

At a biological level this behaviour seems even odder. Most other mammals seem quite content with a luxuriant growth of fur. The idea of a chimpanzee pulling out the hair on its genital regions is ridiculous. Perhaps waxing is little more than a pseudo-sexual fad: another example of the kind of erotic titivation, such as body piercing and tattooing, that was once popular mainly among sailors, hippies and prostitutes. There is another possibility, though. It could be an extension of a longer-running animal story: humanity's evolution towards near nakedness.

Humans are clearly obsessed with having too much hair. Last year men and women spent $8 billion removing it with razor blades, reports Gillette, which makes the things. Of this, $2 billion was spent by America's 100m men on beard removal. More than 90% of American men over 15 shave about five times a week. But as beards are, biologically, a sexual signal indicating masculinity, why shave them off?

Men have been shaving since antiquity, although the habit really got going only when Gillette replaced the cut-throat razor with the safety razor in 1903. Gus Van Beek, a curator of archaeology at the Smithsonian Institution in Washington, DC, says that Egyptian tomb paintings of men show them without

beards, or at least without real beards. When beards are depicted, they are false ones. This is known, says Mr Van Beek, because detached falsies have been found.

Beards may have been considered a disadvantage in hand-to-hand combat, since they can be grabbed. Yet much of the body, or so it is thought, was shaven by the ancient Egyptians. Mr Van Beek says that their razors would have been made first of copper, then of bronze and, much later, of brass. But the ancient Egyptians would not have gone in for the Sphinx, which is another style of pubic wax, named after the completely hairless Egyptian cat.

Great for scouring pots

It is not clear when women began shaving their legs. One idea, almost certainly wrong, is that the fashion began in the 1920s when western women's skirts became shorter. Typically, today's women start shaving at a slightly younger age than men do but they shave an area nine times as large. Although the average male beard has the same number of hairs as a woman's legs and underarms combined (7,000 to 15,000 hairs), the beard is denser and grows much faster. The average American man spends about 33 days of his life removing facial hair. Dry beard hair, says an alarming Gillette fact sheet on shaving, is “extremely abrasive and about as tough as copper wire of the same thickness.”

Though beards and hairy legs may be unwanted, head hair is greatly desired. Many men go to great lengths in their efforts to keep the hair on their heads. Male-pattern baldness, or androgenetic alopecia, is the commonest form of hair loss. By the age of 50, over half of all men are experiencing some thinning or loss of hair at the top or front of their scalp. It is caused by genetics and hormones, specifically the male hormone dihydrotestosterone.

If fat is a feminist issue, then baldness is a male one, according to statistics compiled by members of the American Academy of Cosmetic Surgery. The main reason a man will have cosmetic surgery (apart, that is, from botox injections) is for the transplantation or restoration of his hair. Roughly the same number of American men are having their hair revived as women are having their breasts augmented. In online chat groups, bald men from all over the world discuss their misery and inability to attract a mate (or “gf”). “I'd rather be fat than bald,” bemoans one.

Human beings' hairy preoccupations are curious because, compared with their closest animal relations, humans have very little hair to begin with. Hair is unique to mammals, and is one of the most obvious and defining characteristics of the group. It may have first evolved when sensory hairs—rather like a cat's whiskers—were multiplied over the body and became a useful insulator. Many scientists believe the evolution of hair is related to the evolution of warm-bloodedness: the ability to maintain a constant internal temperature. This may have given mammals an advantage in their early, nocturnal, environment, when they lived in the shadow of dinosaurs. Mammals have probably had hair for about 200m years, but since hair does not generally fossilise, scientists are not quite sure.

Of the 5,000-plus species of mammal, the only other (mostly) hairless creatures are elephants, rhinoceroses, hippopotamuses, walruses, whales and naked mole rats. It is easy to see why these few animals are not so hairy. Elephants and rhinoceroses are some of the largest of mammals, live in hot places and have trouble staying cool. The others live, at least part of the time, in water—where hair is not very useful—or underground, where temperature does not fluctuate as much as on the surface. Pigs are different. Their relative hairlessness has been bred into them fairly recently, in rather the same way as the unfortunate Mexican hairless dog.

A scientist might argue that humans are not, technically, “hairless”. Many have the same density of hair follicles as an ape of the same body size would have. But human hair is generally fine and short, and so humans look naked compared with their closest animal relations. How bare they are, though, does vary racially—which may explain why one Thai lady has requested that her European boyfriend should have his entire body waxed. But completely hairless human skin is found in only a few areas such as the soles of the feet, the areolae round the nipples, the umbilicus, and the palms and undersurface of the fingers and toes.

Despite the title of Desmond Morris's 1967 book, “The Naked Ape”, scientists do not know when in evolutionary history the “great denudation” took place. Or, for that matter, why. One of the more imaginative theories is that humans were once aquatic apes. This, it is argued, would explain why humans have hair on their heads: since the aquatic ape's head would have to be held out of the water, it would have needed protection from the glare of the sun. The aquatic-ape theory is also used to explain

why humans are relatively nimble in water, certainly compared with chimpanzees; and why the hair on the human back points in a direction that would reduce resistance from the water while swimming. But, as is often pointed out, the idea lacks hard evidence.

Cool, man

For many decades, the most popular explanation of hairlessness was that humans lost their hair to keep cool. Too much hair made humans—very active apes—hot, like elephants. Elephants evolved huge floppy ears to radiate heat back into their surroundings. But when hominids moved out of the forests and into the savannah, the same task could be carried out by the entire body, thanks to hominids' upright posture (which exposed less skin to the sun) and their lack of hair.

Unfortunately, as Mr Morris points out, there are problems with this idea, too. One is that no other animals of human size, indeed, no other savannah mammals at all, have shed their fur. Where are the naked lions? Another is that, though bare skin increases the chances of heat loss, it also increases the chances of heat gain, and the risk of damage from the sun. And nakedness makes humans vulnerably cold at night, even in Africa.

Mark Pagel, at the University of Reading, and Sir Walter Bodmer, at the John Radcliffe Hospital in Oxford, have a new idea. They believe that parasites are the key to human hairlessness. Humans, they say, lost their hair in order to reduce the burden of parasites such as fleas and ticks, some of which would have transmitted disease. Early humans probably lived close together in hunter-gatherer groups, in which the rate of parasite transmission was high. Hairless skin was easier to keep clean. Cultural adaptations, such as the use of fire, shelter and clothing, allowed humans to become furless.

What convinces them, they say, is the recent evidence of the great toll that ticks, lice and fleas have on the survival of furry and feathered creatures. Many animals die from parasites, and fleas carry the plague. Other scientists have recently discovered that when foreign species arrive on new shores they typically come with half as many parasites as they had at home. This gives them a huge competitive advantage over the local species, and explains why some become pests.

In 1874 Charles Darwin noted that, in the tropics, hairlessness would help humans to free themselves from ticks and other parasites. He showed some support for the idea in a passage reporting, “It is said to be a practice with the Australians, when the vermin get troublesome, to singe themselves.”

Some even argue that early cave paintings prove that cavemen were removing hairs from their face for similar reasons. At first, it is said, they plucked hair out using a pair of seashells as tweezers, and later they scraped away at it with razors made of flint or horn. Since horn becomes blunt quickly, it may almost be said that stone-age man invented the disposable razor. Others may have singed their facial hair with burning twigs. Why? Perhaps because it became sweaty and dirty, made eating awkward and played host to nits.

My husband is a hairy man...

The parasite theory may also help explain why women are less hairy than men. Mates of either sex would have chosen each other because of their lack of hair, argue Mr Pagel and Sir Walter, since this would suggest that the chosen one was likelier to be free of disease. But as men are more likely than women to select mates on their appearance, it may be that the evolutionary pressure driving hairlessness was greater in women than in men.

Hairiness is also related to the level of a predominantly male hormone. Hence, being less hairy may be a sexual signal of femininity. The companies that advertise female shaving, waxing and depilatory products often play on the fear that hair is dirty. The message is clear: if you don't want to look like a dirty man in a hygiene-obsessed world, get rid of your body hair. And as the fashion for revealing clothing and microscopic underwear spreads, so too does the desire to show only smooth, naked skin—a desire often reinforced by society. Consider the outcry when Julia Roberts waved to a crowd and revealed, to the horror of many, a hairy armpit.

Humans...lost their hair in order to reduce the burden of parasites such as fleas and ticks, some of which would have

More and more of the body is on display, and not always pleasurably. For many women, for instance, men's hairy backs and chests are an acquired taste. Smoother certainly usually means easier on the eye. Mr Pagel says he is struck by how many advertisements for women's clothes and scent show them with their backs exposed. This may, conventionally, be thought of as a normal, sexually suggestive, display. But Mr Pagel adds, “We do not normally regard backs as secondary sexual characteristics and so it occurred to me that what these advertisements may be subconsciously displaying is the ‘health’ and ‘fitness’ of the model by revealing a large area of unblemished skin.”

Some evolutionary biologists, though, are bristling at the parasite theory. Robin Dunbar, of the University of Liverpool, is sceptical. Parasites, he says, would have become a problem only when shelters were first established. But hairlessness, he says, evolved before shelters did. Some research suggests it evolved when walking upright became popular among hominids more than 2m years ago.

Mr Dunbar supports the cooling theory, and argues that when humans invaded the open plains, hair loss doubled the distance they could travel on a pint of water. Moreover, the presence or absence of hair clearly affects insulation because hair length changes on animals in different environments: elephants in cold places became the woolly mammoth. And it is now thought that humans started wearing clothes rather recently—work on the genetics and evolutionary origins of clothes lice suggests they first appeared some time between 30,000 and 114,000 years ago—certainly far too late to explain why humans lost most of their hair.

...but I am sexy

Whatever the explanation for the loss of hair, another explanation is needed for why men and women kept dense hair in three places: their heads, armpits and pubes. In particular, those who believe in the parasite theory must explain why humans merely shed some of their hair and not all of it, since the head, armpits and pubic areas are the very regions where human parasitic infections tend to occur.

The answer is sex, of course. David Stoddart, an olfactory biologist with Australia's Antarctic programme, points out that armpit and pubic hair grows just where the major scent glands are to be found. Hair is a means of wafting this scent about. Thus a tuft of hair allows humans, like other animals, to advertise to mates that something of interest is happening on the skin below.

Humans' crowning glory, the hair on their heads, is easier to explain. Again, it is a human characteristic that was shaped by sexual selection. A luxuriant head of hair is, and has always been, desirable in a mate. At least since the days of the Assyrians—between the 17th and seventh centuries BC—hair has been dressed, and has been an important signal for attracting and choosing partners. In Europe in the late 1760s, women's hair rose from the head and took on extraordinary proportions. Fashionable women might dress their hair powdered, draped over wire or basketwork foundations, and crowned with feathers, flowers, baskets of fruit, or even a miniature ship in full sail.

That still leaves beards. The theory here is that sexual selection has kept facial hair in men, presumably because this advertises their male hormones. But why, then, do so many men, in so many cultures, shave them off? Perhaps the fear of parasites is driving some men to be clean-shaven. Maybe the goatee is a compromise between being clean and manly. Or, perhaps, shaving is popular because facial shape in humans is a sexually dimorphic characteristic. Men tend to have squarer jaws than women, and they shave to highlight this. If so, this would explain the trend for emphasising the edge of the jawline with a fringe of hair. But moustaches are a mystery, to evolutionary biologists and to practically everyone else.

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Gardening

A lovesome thing

Dec 18th 2003

So no wonder the world's favourite leisure pursuit is more popular than ever

ANY religion worth its salt promises its believers a lavish horticultural reward in the world to come. Paradise is always a garden: indeed, the very word originally meant “garden” in Persian. Humanity's universal vision of bliss, it seems, involves being surrounded by flowering and fruiting plants.

For more people than ever before, that bliss is attainable in this world too. Despite relentless urbanisation, slums and high-rise housing, more homes have gardens, and gardening is easier, than ever before. Moreover, in the countries of the rich world, a generation of baby-boomers is now reaching late middle age and the early years of retirement: just the point at which people's enthusiasm for gardening appears to reach a crescendo. As humanity ages, the planet is likely to be increasingly populated by fervent gardeners.

Of course, growing things for the sheer pleasure of it is not new. The grove of trees dating from around 2600BC beside the Fourth Dynasty pyramid at Dahshur, in ancient Egypt, is probably the first garden—if the Garden of Eden is excluded. Nebuchadnezzar's Hanging Gardens of Babylon in the sixth century BC were a masterpiece of terraces and galleries, watered by the Euphrates. In the Middle Ages monasteries grew flowers as well as vegetables and medicinal plants. The grand Italian *palazzi* of the Renaissance built fabulous mixtures of terraces and water courses, often on slopes (to make the fountains work efficiently). The French laid out even grander formal walks and beds at Fontainebleau and Versailles, and around their chateaux on the Loire. The Medicis in Florence, the Aztecs at Texcotzingo, Kubla Khan in what is now Beijing: almost every culture discovered early on the delights of mixing plants, water and architecture.

But these were the gardens of the rich, the products of vast quantities of labour and of the enclosure of huge tracts of land. Even now, a large and elaborate garden requires great wealth. (And great skill, which is why Larry Ellison, boss of Oracle and creator of a glorious garden, so admires the head gardener employed by Prince Charles, another keen garden-maker.) But you no longer have to think big. The most striking development of the domestic garden arguably took place in England in the late 18th and 19th centuries, as the urban house-building boom that accompanied industrialisation created a mass demand for modest gardens tended by individuals.

They drew little on the great landscape designers of the time, such as “Capability” Brown, who were busy filling romantic parks with ornamental cattle and even more ornamental trees. They were influenced more by the Dutch, whose gardens were neat little outdoor rooms. The three- and four-storey terraced

houses that sprang up in London from the 1760s onwards typically had an oblong area at the back. Not only did it have to accommodate the privy, posts and lines for drying clothes, but it was surrounded by brick walls. It was, in effect, a roofless room.

The new middle class clamoured for advice on garden plans, and for plants that would survive the city's ghastly air pollution. John Loudon, an influential figure of the early 19th century, soon launched a *Gardener's Magazine* to cater to this demand; he also published a book of designs of intricately geometrical walks and beds, some of them intended to be easy to maintain. Nothing more need be done, Loudon assured his readers, than “pull out weeds, and stir the earth once or twice a year”.

A new breed of contract gardeners sprang up, to help those who could not afford a gardener on the staff. Nurserymen sold bedding plants: as early as 1771 Conrad Loddiges, a Dutchman, bought a nursery in Hackney, north-east of London, and built it into one of the largest in Britain, specialising in importing plants from North America. The rich could rent plants for the Season, the social high-point of the year. Everyone struggled against the filthy air, in which roses wilted. But rhododendrons survived, as did plane trees, because they shed their bark. Today, the pollution has diminished but more than half the trees in central London are still planes.

The technology of beauty

Then as now, gardening was driven by three main trends: technological change, plant prospecting and fashion. Of these, the most important was technology, whose advances made it possible for the middle classes to enjoy what had once been affordable only to the very rich.

The most dramatic example of democratising technology was surely the invention of the lawnmower. Nothing was more labour-intensive, in the 18th century, than maintaining a large lawn. It would take three men with scythes a whole day to cut an acre (two-fifths of a hectare) of grass, points out Martin Hoyles, a British garden historian; they would be followed by lawn women whose task was to gather up the cuttings.

Just one man went to mow

Then, in 1830, Edwin Beard Budding realised that the rotary blade used in the cloth industry to produce an even pile on textiles could be used on grass. The rotary lawnmower meant that suburban homes could afford the neat greensward previously available only to the rich.

The other technology that transformed Victorian gardening was the development of the art of growing plants under glass. Importing plants from countries as distant as Australia became a commercial possibility once they were sealed in wooden boxes with glass tops. Loddiges found that, instead of losing 19 out of 20 plants he imported, he lost only one in 20. And the conservatory, first developed in the 1820s by Joseph Paxton, head gardener to the Duke of Devonshire, not only allowed gardeners to grow exotic species that would not otherwise have survived a British winter but, more important, allowed the commercial development of bedding plants. From the 1830s on, Victorian gardens, private and public, used masses of bedding plants. In 1877, 2m plants were bedded out in London's parks, often in elaborate geometric designs. Growing them under glass protected them both from frost and from pollution.

In the past century, technology has once again transformed and simplified gardening. Among the most significant advances is the growing of plants in containers. Instead of ordering plants grown in open fields and dug up bare-rooted for planting in autumn, gardeners now typically buy plants which, because they have been grown in containers, can be transplanted at almost any time of year. Container growing has in turn become possible largely because of the development of lighter composts, often based on peat, which are more easily aerated and less likely to become waterlogged.

Though serious gardeners tut-tut at the idea of instant garden makeovers, containerisation has made it possible to transform a garden quickly. Other inventions have made gardening less labour-intensive. Like farmers, gardeners have benefited from the development of chemical fertilisers and pesticides. Like farmers, too, they have gained from all sorts of new machines: miniature tractors, strimmers, hedge-trimmers, shredders. For those with big gardens, horticulture has become a fuel- and chemical-intensive activity. The effect has been vastly to cut the cost of looking after a large and elaborate garden.

Thus Britain's National Trust now manages the garden at Waddesdon Manor with 14 gardeners; in the 1890s, soon after Baron Ferdinand de Rothschild had completed his house, it had over 100. The 300 acres at Stowe, also in Buckinghamshire, are tended by a mere five gardeners; once there were 30. Petworth, in Sussex, had 25 gardeners (and a donkey) in 1878; now four people run it. Chainsaws, weed-suppressing membranes under gravel paths and chemical cocktails all help. But technology has costs too. This summer, says Mike Calnan, the trust's head of gardens and parks, the European Union withdrew approval for 300 ingredients in various garden potions. “A third of our chemical armoury disappeared overnight.”

Other men's flowers

The past two centuries have seen an immense increase in the range of garden plants. Native species have been refined and developed; and explorers have brought back plants from all parts of the world. The passion for plant collecting sprang partly from the expansion of Catholic religious orders abroad in the 16th century, looking for medicinal plants as well as souls to convert. Many early plant-hunters are commemorated in plant names, such as the Tradescants, father and son; Sir Joseph Banks, who sailed with Captain Cook and brought home 3,500 species from Australia; and the Rev Adam Buddle, who gave his name to buddleia.

Prospectors are still hunting for plants in promising parts of the world. Dan Hinckley, whose marvellous garden at Heronswood in Washington state is bursting with plants he has found in obscure parts of Asia, describes how the “palette of plants that people can make use of” is vastly greater than it was even a decade ago. Whereas then there might have been two exotic species of what the British call lords-and-ladies and Americans jack-in-the pulpit, today, he says, “25 to 30 species would be listed in a cutting-edge catalogue”. Anne Raver, the principal gardening columnist on the *New York Times*, notices how rapidly ideas travel from those catalogues to the gardens of the ordinary enthusiast. “Five years after the real fanatics are growing something Hinckley brought back from Tibet, the people watching Martha Stewart think they ought to try it,” she observes. Television shows have made a difference, she thinks, but so has the internet, which lets people search for precisely the plants they want.

Asia is not the only source of new plants: after a succession of dry summers in parts of America, there is a new fashion for imports from, for instance, South Africa, a land with lots of plants adapted to arid conditions. But some exotic plants are rather too successful. Garden centres sell *Rhododendron ponticum* for half as much as other rhododendron species, sometimes boasting that it is “excellent for woodland planting”. Distressingly, it grows like wildfire, is toxic to farm animals and kills everything under its shade.

Fashion is every bit as important in determining what people grow as in what they wear. The geometry, gravel and relentless bedding plants of the mid-19th-century town-house garden had given way, by the century's end, to a passion for informality and English cottage gardens, fostered by two of the great designers of the age, Gertrude Jekyll and William Robinson. They filled borders with herbaceous perennials, and planted drifts of harmonising colours. Their influence has proved enduring. “All over the world, people want to emulate English gardens, often in a climate that makes it very difficult,” says Sarah Bond, an enthusiastic amateur gardener in Manhattan, a place peculiarly unsuited to hollyhocks and delphiniums.

I feel a miscanthus coming on

Wise gardeners adapt to local conditions. In America, that may mean choosing plants unpalatable to deer. So dire is the deer problem on the east coast that entire books are devoted to “Gardening in Deer Country”, and tall fences give some places the appearance of concentration camps. What deer do not eat, racoons and groundhogs may. Alternating drought and flood add to the difficulties.

No wonder rich American gardeners turn to designers such as Oehme, van Sweden, a fashionable firm that has promoted the use of native American plants and wild grasses. “I preach No Lawn,” says James van Sweden with passion. “It's the worst possible thing to try to achieve in the United States. It creates chemical pollution and noise from mowers. I'm fighting the lawn mafia.” His alternative is to plant meadows, or to use immense numbers of perennials to create “a tapestry on the ground plain” which requires cutting back once a year but turns gold and brown in autumn and becomes a “dried bouquet” in winter. He likes swathes of native grasses, such as switch grass and little blue stem, interspersed with sunflowers and Russian sage.

Ms Raver, of the *New York Times*, also sees a growing interest in “prairie plants”: drought-tolerant perennials such as cone flowers and black-eyed Susans. Americans are rediscovering Jens Jensen, a designer of the first half of the 20th century, who was much influenced by the prairie's beauty. Interest is also growing in foliage, rather than flowers alone, says Mr Hinckley, and in the use of shrubs and trees to create structure. He also sees a return to using the original species of a plant, rather than the hybrids developed over the years. But the clearest trend in America is towards the use of more native plants, often those appropriate to a state or a region.

A growing business

Both gardening and looking at gardens are burgeoning. Give people a piece of ground and they will buy something to put in it—and all sorts of other paraphernalia too. Mark Bhatti and Andrew Church of Brighton University in England point to the fact that people now seem to spend far more on machinery and chemicals, and more again on benches, barbecues, terracotta pots and sun-loungers, than they spend on plants themselves. As Michael Flanders and Donald Swann, two British comedians, once observed,

> The garden's full of furniture
> And the house is full of plants.

Moreover, the range of places where people can buy gardening supplies has expanded. Supermarkets and general stores frequently carry plants and other gardening necessities. Conversely, Britain's Garden Centre Association says that around 12% of the typical turnover of a garden centre now comes from the café. A trip to a garden centre has become a favourite outing even for those who go to sniff and look rather than to buy.

Lots of people now go to look at gardens too. Back in 1927, an imaginative woman called Elsie Wagg thought of getting green-fingered enthusiasts to open their gardens to visitors for a small contribution to a nursing charity. Britain's National Gardens Scheme now includes in its Yellow Book, staple of every garden-obsessed Brit, more than 3,500 gardens that open at least one day a year. New entries are added only after serious scrutiny. Other countries have begun to copy: Australia launched its Open Garden Scheme in 1987, America's Garden Conservancy was founded in 1989, Belgium's Jardins Ouverts began in 1989 and Japan's version started in 2001. Nosing round other people's gardens is a universal passion.

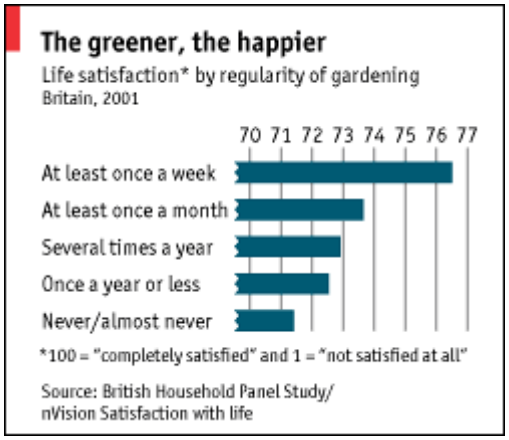
So is visiting grander gardens. The National Trust, owner of lots of stately homes, finds that people are more interested in visiting their grounds. They are certainly more likely to make a return visit to see plants rather than portraits. In the north-east of England, the Duchess of Northumberland has caused uproar among British gardening snobs, and transformed the tourist trade of that depressed region, by spending a fortune on a lavish programme of garden design in the grounds of Alnwick, her husband's family home. For this she rejected London's swankiest architect-gardeners in favour of Jacques Wirtz, a Belgian, and his two sons. Their creation includes a vast cascade of water, and plans for a huge tree house, a poison garden (much more interesting for children than medicinal plants, observes the duchess) and a labyrinth, to be built by the world's leading maze designer.

“It is a sort of arrogance to assume that we can't do better than the past,” says the duchess, who wants to keep the gardens open till 11pm and organise tea dances for old folks on winter afternoons. Traditionalists call it a theme park, but in fact the project is much more like one of the pleasure gardens the English paid to visit in the 18th and 19th centuries. In 2003, 500,000 visitors have come, though the original projections were for only half that number by 2004. And local shops and other tourist attractions are booming.

Why do people garden? One reason, perhaps, is economic. A number of attempts to measure the impact on property values of environmental amenities suggests that, in moderation, nice trees add to a house's market value. One study found that trees could boost a property's value by up to 30%; the maximum effect was given by 67% tree cover. A study in the *Journal of Real Estate Research* in 2002 by François Des Rosiers and three colleagues from Laval University looked at the impact of landscaping on the value of houses in Quebec City. It found that lawns, flowers, rock plants and hedges all boosted a property's value. A landscaped patio was the best buy of all, adding 12.4% to the price. But then, early Victorian property developers also knew that a garden helped sell a house: some ran their own nurseries, to provide the plants for instant gardens.

A small taste of freedom

Gardening seems to affect health and behaviour. Stephen Kaplan of the University of Michigan has rounded up a group of studies that claim benign effects for gardens. Those who look after the ill and elderly get less tired if they walk or cycle through greenery; cancer patients go back to work sooner after treatment if they walk in natural surroundings or gardens; tenants in bad housing show less aggression and violence if their flats overlook something natural; girls with greener views from home are more self-disciplined and concentrate better. None of these findings would have surprised the Victorians, who laid out public parks in their cities because they believed the poor would thereby learn better behaviour and enjoy better health. Sadly, as spending on private gardens has soared, spending on public parks has generally declined.



Most of all, though, people garden because it makes them happy (see chart). When Nelson Mandela was imprisoned on Robben Island, he ordered gardening books and planted tomatoes, chillies and onions. “That small patch of earth offered him a small taste of freedom,” says Mr Hoyles. Don't be surprised if Paradise turns out to be one vast pleasure garden, with perhaps a corner set aside for freedom-loving vegetable-growers too.

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Fast publishing

A book in a day

Dec 18th 2003

Not how to read one, how to write one

SOMETIMES I write a book in a day," says Irene Smalls, "sometimes it takes years." Ms Smalls, who grew up in Harlem, has been a model, an actress and a government employee, but her favourite pastime is writing children's books. She has published 15, most of them under 40 pages.

Children's books can get by with very few words. But what about writing a full-fledged book for grown-ups in a day? No problem, you might think, to judge by the work of Florida Romance Writers, Inc, which recently ran a "book in a day" workshop for would-be writers of pulp fiction. But this turned out to be just a day for planning a book, rather than the hard slog of crafting the words.

In 1992 Oxfam, a British charity, challenged some authors to write a short story in a day, then published the result. A tale by Colin Dexter featuring his best-known character, Inspector Morse, is considered not bad. But the print run was only 550.

The internet can surely reach a wider audience than that, and some bold attempts at collaboration have indeed been seen on the web. Probably the most successful—albeit the work of years rather than hours—is "Q", an elaborate novel about the Reformation, concocted by a team of four Italian writers calling themselves Luther Blissett. (The real Luther Blissett, incidentally, was a black English footballer who spent an unhappy season in 1983-84 with AC Milan. The talent scouts clearly had not done their homework.)

Still, with hundreds of people at their keyboards, collaboration on a work of literature could perhaps be compressed into a day. Claus Sorenson, a developer of Linux computer software, thought that the community of Linux users would help him do just that. He invited all-comers to a feast of writing on March 21st 1999, declaring that "By making a whole book, from idea to 'ready-to-publish', in just 24 hours, we will show the world how powerful the internet can be." No book emerged. But a chat-room devoted to Linux aficionados generated over 20,000 words of speculation on what such a book would be like.

"This certainly won't be a magnum opus of literature," predicted one chat-room visitor. "Writing good prose is like being pregnant, and you can't make a baby in a month by getting nine women pregnant," he pointed out.

"I can write a whole book in a day," boasted a participant calling himself Anonymous Coward. "So what if

it's all crap and gibberish, I can still do it." That spawned some discussion on the subject of monkeys and typewriters. Given infinite time, logicians say, 1,000 monkeys would accidentally hammer out the entire works of Shakespeare. Not only that, added one chatterer, think of all the folio versions they would produce too. Unfortunately, the qwerty keyboard is not ergonomically suited to the smaller primates. Infinite time, for monkeys with typewriters, probably means never.

It was a bright and sticky day

Given this history, an invitation to appear at a hotel in central London one day last summer, to help produce a book in a day, gave rise to some scepticism. So did the proposed title of the work: "Strategic Thinking in Tactical Times". To the layman this could mean anything: the four key words can be rearranged in almost any combination to make nearly as much sense. But this thought alone would not achieve the target of 80,000 words.

Joe DiVanna, on the other hand, is not someone often afflicted by self-doubt, or the doubts of others. He is a polymath to whom words come easily, and who has committed many of them to paper. "Synconomy", "Thinking Beyond Technology" and "Redefining Financial Services" are all books of his that have been published by Palgrave Macmillan since June 2002; and "The Future of Retail Banking" hit British shelves in November. So Mr DiVanna at least has a track record as far as instant books are concerned.

He spends most of his time in Cambridge (the English one) running a consulting firm, Maris Strategies. He is also an active member of the Strategic Planning Society and of Thought Leaders International. When not busy shuffling management concepts around, he can be found Quasimodo-like in King's College Chapel, directing a project to work out exactly how the fan vaulting was built. (More will be known when a replica of part of the chapel is completed in a field outside Cambridge.) His book-in-a-day idea came from "The Four-Hour House", a film showing two construction teams in California competing to build a house in four hours.

Instant literature...

One of Mr DiVanna's ways of warming people up at conferences is to get them playing games. At the London hotel, it was not long before he had grouped the 30 people gathered to write the instant book into three teams. Each team was given Lego bricks and told to build a rocket-launcher; two teams had a diagram (easy), the other had only written instructions (frustrating and divisive). Was this to show the shortcomings of the written word?

The 30 were a selection of bankers, management consultants and strategists from various British companies. Many were familiar with the usual clichés of management-speak. Those who were not were treated to nine 15-minute lectures by the experts to get them in the mood. Thus empowered with the necessary knowdules (knowledge modules), the collective mind was nudged on to the tramlines of the intended book. Strategy is not just for bosses, it should be embraced by the company's entire staff. Leadership is no longer about issuing orders from on high. Today's leaders are not tough-guys, they are teachers and storytellers.

Stuffed with brain food like Perigord geese—as one of the stuffers observed later—the teams were then sat round three tables, equipped with notepads and flipcharts, to discuss by turns the three sections of this ground-breaking book. Yes, a skeleton of the book was already there: Chapter One, The Strategic Individual; Chapter Two, Developing the Strategic Corporate Competency; Chapter Three, Moving the Strategic Agenda into Actionable Initiatives. Each chapter was to contain three sections: the first section of the first chapter, for example, would be about "developing the strategic mindset", and the third in the last chapter would cover "making strategic thinking contagious".

The authors were encouraged to write notes and draw diagrams. At intervals the notes and doodles were whipped away by minions who promised to turn them into PowerPoint presentations.

A few people dominated these sessions—the ones for whom the concepts were not gobbledegook. They were able to produce examples of "passion in the workplace" (workers who saved a South African tea factory by volunteering to take a pay cut) and "emotional commitment" (the parable of two stonemasons: one sees his job as chipping stone, the other says he's building a cathedral). And even

those who were never quite sure what strategic meant in the business context were able to recognise a “strategic disaster” (British Airways brutalising its brand by putting tribal designs on its tailfins).

After a buffet lunch with fine wines, the teams changed tables and thrashed out a new set of themes, guided by a moderator and the flipcharts left by the previous team. But, so far, few sentences had been written. Perhaps the book-in-a-day was just a planning exercise, like the Florida Romance Writers' workshop. However, at a plenary session towards evening, Mr DiVanna revealed how the real work would begin: every author would take three topics, one per chapter, and undertake to write at least 400 words on each by the next morning. After all the talk of passion in the workplace and emotional commitment, it was hard to refuse. With 30 people writing over 1,200 words, that would be at least 36,000 by dawn. Never mind the quality, feel the width.

...just add alcohol

But first, dinner. More fine wine was consumed. The final bill from the hotel for providing the room and sumptuous meals was likely to be over £20,000 ($33,400), paid by Corven, a consulting firm. As an advance payment on a 36,000-word book, that was a lot. But Corven believed the exercise would help it explain its own (rather self-defeating) mission: to help companies to develop their strategy internally, rather than hiring more consultants.

Some writers then worked well into the night, trying to rearrange the concepts they had heard into fresher, less risible combinations. This writer, inspired and empowered, tried to get inside the mind of a thought leader, perhaps Clausewitz, or Macchiavelli. Simplicity is the thing, he told himself. Reduce the corporation to its simplest form and develop principles from there: “If the individual itself were a corporation,” he wrote, “there would be no problem about developing a strategic mindset. Even changing nothing would amount to a strategy for the one-person corporation.” Some writers rose early and returned to the scene of battle at the hotel, where they filled pages of foolscap with close handwriting. Every word was cherished. This is Mr DiVanna's account:

> Tuesday brought an early start—45% of the attendees were at their tables writing by 8am, a half-hour before the scheduled start. The entire morning was a frantic race against the clock, as time was the common enemy. As soon as attendees produced text or graphics in writing, the graphics artist and content co-ordinators typed and shaped their contribution directly into the book. A gigantic chart was maintained to co-ordinate the activities of each delegate and progress toward the intended goals. The word count was impressive: by 12pm on day two, we had 9,000 words; by 1pm we had 17,000 words; by 2pm we had 24,000 words; and by the time the last attendee begged for mercy, at 4pm, we had 29,000 words. Some delegates chose to e-mail their contribution, so by 6pm on day two the team achieved a total of 75 graphics and 34,700 words!

Words are one thing. A book worth reading is quite another. For a month or so the raw material was posted on the Corven website, and the authors could edit bits and send additional material. Mr DiVanna did most of the work. He delivered it all to the publisher in August, a month later than intended. The length had stretched beyond 60,000 words. In fact “Strategic Thinking in Tactical Times” became more like an academic compilation with citations from the original contributors, as if they too had written learned works on the subject. (The one-man corporation was included in the literature.)

“Strategic Thinking”, with the subtitle “So what can you do for me this quarter?”, will be published by Palgrave Macmillan in March. Jacky Kippenberger, the editor for business- and management-research books, says the result is “very accessible”. It will sell for £50 with an initial print run of 500. “It's part of my list of monographs,” she says. Sherlock Holmes wrote monographs, which he researched himself, on subjects such as tobacco ash, and the different types of mud on people's shoes. Mr DiVanna completed a monograph which began as the work of many hands. But did it really finish that way?

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Corporate scandals

Déjà vu all over again?

Dec 18th 2003 | PARIS
From The Economist print edition

The near failure of Parmalat is raising questions about how well Europe is reforming its corporate governance

SOMETHING amazing and troubling happened in Italy on December 15th: Calisto Tanzi, chairman and chief executive of Parmalat, one of the world's biggest dairy firms, resigned. He handed full control of the group that he had founded decades earlier to Enrico Bondi, an experienced manager of troubled companies who had arrived at Parmalat as a consultant only the previous week.

Mr Tanzi's dramatic departure, along with the exits of several other family members and allies, marked the complete ascendancy of Italy's big banks over their once arrogant customer. It is rare for a family to lose control of a business so quickly, perhaps especially so in Italy. It is even rarer for the transfer of powers to be so uncontested. In essence, the banks had deserted Mr Tanzi during a sudden liquidity crisis that saw a group with €7.6 billion ($9 billion) of annual turnover unable to raise a mere €60m or so to redeem a maturing bond issue. The financial markets and rating agencies had panicked, driving Parmalat to the brink of default.

All of this has cast fresh doubt on claims that corporate governance has been improving in Europe after a series of corporate scandals and boardroom blunders that mirrored similar messes across the Atlantic. When France's Vivendi went into meltdown in 2002 it was labelled “Europe's Enron”, after the failed American firm. That mantle passed this spring to Ahold, a Dutch retailer with accounting problems in its overseas subsidiaries.

Now, as more details have emerged, Parmalat looks as if it might provide Europe's closest imitation yet of Enron—albeit with the distinctly European twist of family ownership.

Europe's third Enron

The embarrassment was particularly acute for those Europeans who have been claiming that corporate governance has been improved, for it was no secret that Parmalat had long been a tricky client for its bankers. Like Enron, it was over-fond of elaborate bond and derivatives deals, often using complex offshore structures that involved some of its many subsidiaries. Investors and bankers alike struggled to

understand its balance sheet or to gauge the true extent of its liabilities. Parmalat had acquired a reputation for lack of transparency. Over a year ago, analysts at Merrill Lynch advised investors to sell its shares on the grounds that they could not understand the need for such opaque finances.

So why did respected institutional investors continue to buy Parmalat's shares and bonds? As for the banks, why did they continue lending and arranging questionable derivatives deals? Sure, at the end of the financial labyrinth there was indeed a sound, valuable milk-processing and distribution business. But this did not justify a collective lapse of judgment.

Big investors had failed utterly to use their leverage to alter the behaviour of Mr Tanzi and his managers. Indeed, it is not yet clear whether they ever made any real effort to demand better disclosure and an end to funny financing. Yet many of them own financial instruments that will now be caught up in competing claims for priority in getting repaid. Default and subsequent restructuring cannot be ruled out. Clients' money will be lost.

Two particular criticisms can be directed at Parmalat's banks. The first is that its house banks were too close to their customer and allowed its financial managers to run amok. Although within Europe this is not uniquely an Italian problem—France's banks have occasionally been as guilty, notably with Vivendi and Alstom, a troubled engineering group—it has been especially striking in this case. The same was true last year of Cirio, a food producer that eventually defaulted on its bonds after a long struggle between managers and a modernising group of bankers who wanted to pull the plug but who faced resistance from colleagues. Parmalat has given those modernisers a new chance to clean up relationship banking. Let us hope that they will take it.

Second, respected global banks, including Citigroup, J.P. Morgan and Deutsche Bank, were only too willing to construct the derivatives deals by which Parmalat transferred funds offshore and speculated with them. These banks are not answerable to the shareholders of their customers, but earn lucrative fees. They have been involved in many of the best-known corporate scandals, in America as well as Europe. Arguably, their very presence has helped to reassure investors and rating agencies. In future it should count for less.

As with Enron, Parmalat's problems may have been ignored for longer than necessary because people were taken in by the group's constant self-promotion. Although much remains unknown, it seems that substantial assets may have disappeared from Parmalat, much as hundreds of millions of dollars were siphoned off from Enron. Bankers say that it may take months to untangle Parmalat's affairs. Mr Bondi has already assembled a team, including forensic accountants, to assess whether the firm can avoid default. Enron destroyed the reputation of Arthur Andersen, its accountant. Deloitte, Parmalat's accountant, must now explain itself.

Credit-rating agencies, yet again, have egg on their faces. Last year, a liquidity crisis led to the unravelling of Vivendi, but also revealed how tricky it was for outsiders to monitor what had been going on. Like Vivendi, Parmalat failed to disclose lots of information to Standard & Poor's (S&P), yet the agency happily issued investment-grade ratings on its bonds. Only when the firm entered crisis mode did it become clear how wrong S&P had been. Were there no warning signs at all?

Parmalat's crisis is a sour note on which to end what otherwise really had been a year of improvement in Europe's corporate governance. Various European countries have been introducing or strengthening governance laws or codes of practice. Thanks to vigorous intervention by shareholders and the banks, the firms brought down by governance failure—from Vivendi to Ahold—have mostly ended the year in far better shape than had once seemed possible. Perhaps the presence of the founding family at Parmalat had lulled watchdogs into a false sense of security. In future, they need to remain more awake.

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Russian oil

Divorce me, darling

Dec 18th 2003 | MOSCOW
From The Economist print edition

The end of a Russian romance

RUSSIA'S biggest-ever corporate marriage is turning into its biggest-ever divorce. Three weeks ago, Yukos and Sibneft, the country's largest and fifth-largest oil firms, suspended their marriage minutes before the shareholder meeting that would have approved a new board for the already-formed Yukos-Sibneft. Frantic behind-the-altar talks followed, with reports that Sibneft wanted to impose its own management, as the man intended to run Yukos-Sibneft—Mikhail Khodorkovsky, Yukos's boss—had been thrown in jail in October. This week Yukos confirmed that it is now in talks to unravel the joint firm.

As usual the icy Moscow air is filled with conspiracy theories about why Roman Abramovich, Sibneft's main shareholder (as well as the owner of Chelsea football club in London), called a halt when the deal was already done—the equivalent of abandoning your bride at the threshold of the honeymoon suite.

There is the dowry theory: that he was merely taking advantage of Yukos's sudden weakness to try to get a better deal. The angry-papa theory: that he was fulfilling an order from the Kremlin, which may have decided that it wanted Russia's largest oil firm to be under more government-friendly management. And the doctor's-secret theory: that he has learned that Yukos is headed for a nasty end and does not want to share its fate.

Yukos said this week that it has endured some 678 official inquiries since prosecutors began investigating it in July, about everything from tax evasion to murder. There have been threats to remove some of its oil licences. Mr Khodorkovsky's own trial on charges of tax evasion and fraud could start by the end of this month, though it is likelier that his custody will merely be extended.

Another issue is how the demerger will be done. Some Yukos shareholders say that Sibneft owes Yukos at least $1 billion in compensation for pulling out, as stated in the original deal. Yukos's management says that, as the merger is already formally done, those terms no longer hold. Their readiness to capitulate may be a sign either that Mr Abramovich holds all the cards, or that another mysterious negotiation is under way.

But Yukos is putting on a brave face. Legally, Mr Abramovich's 92% of Sibneft already belongs to Yukos. He has a 26% blocking stake in the merged company (and $3 billion of Yukos's cash). But he needs Yukos's agreement to get Sibneft back. And he will want it back soon: it will be the most eligible partner for one of the big foreign oil firms, such as Exxon Mobil or ChevronTexaco, that are interested in buying a Russian bride.

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Online music

Sex, lies and Earth Station 5

Dec 18th 2003
From The Economist print edition

A strange tale

THE centre of the Jenin refugee camp in the West Bank still looks like it has been hit by an earthquake, having been razed to the ground by the Israeli army last year in a bloody attempt to stop suicide bombings. So when an outfit called Earth Station 5 announced itself this year as a new peer-to-peer file-sharing service headquartered in the camp, internet downloaders and journalists paid attention. In the occupied Palestinian territories, says Steve Taylor, a spokesman, Earth Station 5 is safe from the music and film industries' campaign to stop people sharing content for free. When they complain, he told Salon.com, a website, “we tell them to go fuck off”.

For rebellious technophiles, Earth Station 5 seems a tantalising mix. Its management is made up of Jordanians, Palestinians, Russians and Israelis who “love and respect each other”, according to a press release. It thumbs its nose at big media firms and, in July, it pledged to mount an attack on the sex industry by giving ten internet sex channels away for nothing. It also claims to possess advanced technology that shields the identity of downloaders and so protects them from being sued.

Being in Jenin might have other advantages, if it really is in Jenin and if there is any truth to claims that Earth Station 5 is the creation of a fugitive from American justice. In 2000, Stephen Cohen, who had spent time in prison for fraud, was forced to hand over ownership of the internet address “sex.com” to its original owner, Gary Kremen, after Mr Kremen proved that Mr Cohen had stolen it from him by means of a forged letter. The court awarded Mr Kremen damages of $65m, a sum he never got because Mr Cohen went to Mexico to escape an arrest warrant.

A German technology magazine, *c't*, and two other German papers reported this week that they had traced a link between Stephen Cohen and Earth Station 5 via telephone numbers and e-mail addresses. In response, Earth Station 5 says that its Mexican internet-service provider purchased an internet domain from Stephen Cohen's old firm: that is the only reason, it says, that their spokesman, Mr Taylor, and Mr Cohen seem to have the same e-mail address. This week, Mr Kremen told *The Economist* that Mr Cohen has called him in the past six months and talked about Earth Station 5, his new venture in the Jenin refugee camp. Mr Cohen offered Mr Kremen a stake in Earth Station 5, he says, in exchange for dropping his $65m claim. He declined the offer. Mr Cohen could not be reached for comment.

At any one time, claims Mr Taylor, almost 19m people are using Earth Station 5, most in non-English-speaking countries. If true, that would make it the most popular peer-to-peer file-sharing portal in the world. At the moment, everything is free on the platform, and it has no advertising. According to Mr Taylor, its backers are spending $2m a month with little if any revenue coming in. Eventually, their plan is to make money from online gambling, sports betting and ads. Well, maybe. But almost everything about Earth Station 5 may be fiction. Perhaps the only certain thing is that, at least for *The Economist*, it works.

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American telecoms

If you can't beat 'em, join 'em

Dec 18th 2003
From The Economist print edition

The future of fixed-line telephony has suddenly become apparent

TELEPHONES, at least of the fixed-line variety, have been much the same for decades. Buttons replaced rotary dials; caller ID appeared; otherwise little has changed. But fixed-line phones are now about to be transformed, thanks to the internet. In a flurry of recent announcements, big telecoms firms in America have embraced a technology called “voice over internet protocol” (VoIP) as the future of mainstream telephony.

Simply put, VoIP breaks telephone calls into packets of data and allows them to be piped around like any other kind of internet traffic. The technology is used in three main ways. In the corporate world, companies are increasingly using VoIP to replace separate voice and data networks with a single “converged” network, which saves money. Secondly, VoIP is used by telecoms operators to carry calls inside their networks at lower cost. International calling cards use VoIP to keep prices down.

You are, in short, probably using VoIP already without realising it. But the third kind of VoIP is not so invisible: the consumer variety, currently pioneered by small firms such as Vonage. By plugging an ordinary phone into a broadband internet connection using a small adaptor box it is possible to make and receive calls in the usual way, though they are in fact being piped across the internet. That makes possible all sorts of new tricks: integration of voicemail with e-mail; global portability (the phone rings wherever it is in the world, provided it is plugged into a broadband link); web-based logging and billing. For conventional telecoms operators, this sounds like bad news—the Napsterisation of telephony. But a tipping point has now been reached. As they cannot beat VoIP, they have chosen to embrace it.

Their motivations vary. AT&T, for example, which will launch VoIP services in the next few weeks, sees it as a way to avoid the access fees—some $10 billion a year—that it has to pay the “Baby Bell” local network operators to route calls over their lines. No such fees apply to VoIP calls, which are unregulated (at least for now). Of course, the service can only be offered to households with broadband. But with over 22m American households already wired up there is a big potential market, notes Cathy Martine of AT&T.

Cable companies such as Time Warner, CableVision and Cox are using VoIP to offer telephony cheaply via their broadband networks. Cable firms see telephony as the next big market after TV and broadband and hope to encourage subscribers to give up their conventional phone lines.

Incumbent local network operators are in a tricky position. VoIP cannibalises their core business—conventional voice telephony—but, notes Blake Kirby, a telecoms analyst at Adventis, “you'd rather have a VoIP customer than no customer at all.” Hence the decisions by Verizon and Qwest to offer VoIP. It might even help them pick up new customers among cable-broadband subscribers. Britain's incumbent, BT, has just launched a VoIP service for just this reason. As consumers do away with second lines for dial-up internet access in favour of broadband, says Dave Axam of BT, VoIP can provide a cheap alternative to a second line for use by teenagers.

VoIP is not for everyone, of course, since it relies on the availability of broadband. VoIP phones do not work when the power fails, and they do not yet support emergency calls. Michael Powell, America's telecoms regulator, has said that he favours a light touch when regulating VoIP. But as it goes mainstream, says Muayyad Al-Chalabi of RHK, a telecoms consultancy, rules will need to be established to cover emergency calls, wiretaps and so on. With luck, this will help to trigger a complete overhaul of America's arcane regulatory system. Its rules were drawn up in the mid-1990s, when the industry's future was unclear, says Mr Kirby. But the way forward—in which voice telephony is just another subscription-based internet service, delivered by a broadband link—now suddenly seems much clearer.

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Flat-panel televisions

Thin screens, fat margins

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What is behind the sudden mania for flat-panel televisions?

IF YOU are thinking of buying a flat-panel television, you are not alone. Along with Apple's iPod music player and a robot vacuum-cleaner called the Roomba, flat-panel TVs just a few inches thick (as opposed to much fatter “flat-screen” TVs based on conventional cathode-ray tubes) are generating a buzz among tech-savvy holiday shoppers. Today's flat mania, says Scott McGregor, the boss of Philips Semiconductors, is “completely irrational” since a conventional TV can produce just as good an image at a fraction of the price. Not that Mr McGregor minds. His firm's joint venture with LG of South Korea is the world's leading maker of liquid-crystal displays (LCDs), the technology used in most flat-panel TVs.

In part, says Riddhi Patel of iSuppli, a market-research firm, the sudden rise of flat-panel TVs is driven by the popularity of DVD players, games consoles and digital cable, all of which produce clear, sharp images that look particularly good on a big screen. Flat-panel screens are stylish and do not take up that much room. And they have geek appeal. As Pip Coburn, an analyst at UBS, puts it: “Getting a flat-panel TV today is as exhilarating as getting a desktop computer 15 years ago—if you can remember what that was like.”

But the main reason for the sudden emergence of flat-panel TVs is that manufacturers smell a lucrative new market. As LCD screens in both desktop and laptop computers have become commonplace, margins have diminished. Televisions, however, use large LCD panels which cost more to make but command far higher margins.

New entrants and established firms such as Motorola and Westinghouse, both of which stopped making TVs decades ago, are now piling in. So too are computer makers such as Dell and Gateway, which already sell LCD computer monitors and are attracted by the fatter margins in consumer electronics. By selling direct over the internet, rather than through high-street stores, PC makers can undercut traditional consumer-electronics firms, says Ms Patel. A 30-inch flat-panel TV from Sony costs $3,999, whereas Dell's costs $2,999.

Flat-panel TVs will account for just 3% of the 160m televisions sold this year, reckons iSuppli, rising to 8% by 2005. This is still an “early adopter” phenomenon. But as more suppliers enter the market and new factories come on stream, Ms Patel expects prices to fall by 40% over the next year. Bear that in mind before you buy.

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Indian telecoms

The right connections

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From The Economist print edition

Reliance's triumph has angered its mobile-phone competitors

AP

Mukesh knows who to call

THE Ambani family, who control Reliance, India's largest business group with total sales last year of $16.8 billion, is widely respected for building world-class large-scale projects on time and for operating them efficiently. But this admiration is often tempered by the group's remarkable ability to influence government policies for its own benefit.

Observers wondered if this would change when Dhirubhai Ambani, who founded Reliance in 1958, died in July last year. The project-building expertise, at least, has been sustained. Dhirubhai's elder son, Mukesh, 46, now the group's chairman, personally supervised the building of an 85,000-km (53,000-mile) fibre-optic network linking 750 towns and cities, run from futuristic headquarters in Mumbai. It forms part of a $3 billion investment in the past two years in Reliance Infocomm, the group's telecoms arm.

Designed to service the data needs of broadband customers, the network is currently used mainly for Reliance's fixed-line and mobile-telephone activities. The company says it has signed up 6m cellular customers for its IndiaMobile service since a problem-ridden launch 11 months ago was rescued with revamped marketing and prices that drastically undercut established operators. Such an achievement far outpaces the competition: Bharti, the former market leader, has only 5m customers after nine years. Reliance has helped to push India's total of mobile-phone users up from 11m a year ago to over 25m.

Yet its competitors are crying foul and claim that IndiaMobile's figures do not represent the true picture. They allege that the company has breached licence regulations and that a unified telecoms-licensing regime, introduced by the government in November, was conceived primarily to legalise those breaches. Mukesh Ambani denies that rules have been broken or that he manipulated government policy, as he does earlier accusations of policy fixing. “We are 100% on the right side of the law and public policy,” he says.

The dispute stems from the way that Reliance has built a national mobile network on the cheap by using wireless local-loop (WLL) technology licensed for city-sized areas. Normally a user of such a service would not be able to “roam” from one city to another. But Reliance has given its subscribers multiple telephone numbers and a call-forwarding facility to enable them to use their telephones as they travel across the country.

This has been challenged by the cellular firms, whose licences cost them at least four times as much as Reliance paid for its WLL licences. In October, Arun Shourie, India's telecoms minister, said that the government's technical-evaluation committee had found that Reliance was “violating” its licences and that it would be told to restrict its activities. But at the same time Mr Shourie and the Telecom Regulatory Authority of India were preparing a new unified telecom licence, covering all services. Reliance has now bought one of the new licences for $340m (including a $100m “penalty” for its earlier violations).

Government officials do not deny, privately, that the unified licence was designed—and introduced rapidly—to avoid litigation from Reliance that could have delayed the expansion of India's telecoms market. Mr Shourie is a zealous economic reformer who does not appear to object to Reliance's tactics. At a memorial meeting earlier this year for Dhirubhai Ambani, he said, paraphrasing Friedrich Hayek, a

Nobel prize-winning economist, that “by exceeding the limits in which restrictions sought to impound them”, companies such as Reliance had “helped create the case for scrapping...regulations”. Such logic—in effect, an argument for lawbreaking—does not impress the cellular firms, which are appealing to the supreme court and demanding compensation.

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Technology in China

The allure of low technology

Dec 18th 2003 | BEIJING AND HONG KONG
From The Economist print edition

China's misguided attempts to become a high-tech economy

Get article background

THE country's success in putting a man into space this October, only the third nation to do so, was more than just a boost to national pride. It signalled the Chinese government's intention to turn the world's workshop into a technological powerhouse. With an abundance of cheap engineers, growing research spending and plenty of useful foreign intellectual property on hand (and not terribly well protected), many of the necessary building blocks would appear to be in place. To the consternation of many firms in the rich world, China has already become a big exporter of electronic components, DVD players and digital cameras. Chinese manufacturers, such as Legend in personal computers and Ningbo Bird in mobile-phone handsets, have seized leading positions in China's domestic market. A few—such as TCL, a TV manufacturer; Huawei, which makes telecoms switching gear; and Haier, a white-goods group—are building a global presence.

This is threatening to inflame already raw trade relations with the rest of the world. The prime minister, Wen Jiabao, recently called on America to open its high-tech sector to China in return for trade concessions. Meanwhile, in a bald display of protectionism, foreign computer- and chip-makers have been banned (since December 1st) from selling some wireless products in China unless they incorporate Chinese encryption standards sourced from 11 named Chinese firms. If the rule is enforced, Dell, Intel, Sony and others may have to choose between sharing technology or curtailing shipments to China.

A handful

So will China become the next technology superpower? Actually, probably not—at least, not anytime soon. Its successes so far are restricted to a handful of firms, most are either protected or exceptional, rising through cracks in China's planned economy. On December 10th, at a seminar in Beijing on Chinese technology organised by *China Economic Quarterly*, a research publication, Ming Zeng, a professor at Insead, near Paris, and Beijing's Cheung Kong Business School (and a noted optimist on Chinese firms) admitted: “I spent five years hunting for examples of successful high-tech companies in China. After all that work, I can only find three or four.”

Overall, China's technology base remains limited and the capital infrastructure needed to produce advanced, high-tech goods largely absent. And while more and more high-tech goods are made in China, almost all the value is being captured by foreign companies (see chart). Writing in the quarterly, Daniel Rosen, a visiting fellow at the Institute for International Economics in Washington, DC, argues that, on close inspection, “China's high-tech exports turn out not to be so very high-tech—nor, indeed, very Chinese.”

Of $325 billion of exports in 2002, China's Ministry of Commerce rated only 20% as genuinely high-tech. And those were mostly mature commodities, such as DVD players and laser printers. The brains of these machines, namely their semiconductor chips, were almost all imported—reflected in China's high-tech trade deficit of around $15 billion. What's more, 85% of its high-tech exports between January and August 2003 were accounted for by foreign enterprises in China.

It is the same story with semiconductors, an industry China has

explicitly targeted for development. The country is a voracious consumer of chips and an increasingly important location for silicon-wafer plants, providing an estimated 19% of world capacity this year. Yet its indigenous industry remains tiny and low-tech. Foreigners control most of the chip plants in China. These, in turn, concentrate on low-value assembly and testing rather than design and manufacture.

While foreigners own virtually all of the intellectual property and most of the high-tech manufacturing capacity in China, piracy will remain an issue. Currently, General Motors, Toyota and Nissan are each embroiled in disputes over stolen copyrights. But Peter Nolan, a China specialist at Britain's Cambridge University Judge Institute of Management, says that the counterfeit issue is overblown, arguing that foreign multinationals generally “have sophisticated ways to protect their hard-won technology”. Mr Nolan argues that China's ability to upgrade technology through joint ventures has been exaggerated. So moves to tip the playing field by asserting Chinese standards are actually a sign of weakness rather than strength.

Why has China been so slow to climb the technology ladder? History is one explanation. Under communism, most technological development was state-directed and a disaster. State-owned enterprises still grapple with legacies of poor management and a lack of sophisticated systems. Most private companies are too small yet to pour much money into innovation.

Meanwhile, global corporations are widening the gap. “The idea that you can naturally move from being a small, low-level producer to become a Merck or a Boeing is a fantasy,” says Mr Nolan. A dysfunctional financial system is also to blame. Capital is routinely misallocated, venture funding still rudimentary, and mergers and stockmarket listings are at the government's discretion.

Work, work, work

But perhaps the biggest constraint, ironically, is also China's strength: its massive pool of low-cost labour. Arthur Kroeber, managing editor of *China Economic Quarterly*, argues that China has no real incentive to develop high-tech processes since, unlike Japan and South Korea, which were forced to grab markets from the West by sophisticated engineering and continuous process improvement, “China can compete for the next 50 years on labour costs.”

While politicians in Beijing shout about China's need to develop technology, the smartest Chinese firms are taking advantage of the labour supply and actually reducing their use of technology. A study by Boston Consulting Group shows that Chinese manufacturers were more productive and made more profits if they reduced the technology used in production and returned to more people-heavy processes. Vincent Lo, a Hong Kong entrepreneur who has invested in mainland cement plants, says that his factories, though primitive compared with the hugely automated ones built by France's Lafarge, have won local contracts precisely because they employ lots of people.

China should seize this advantage with both hands. Its labour will remain cheap for decades. Only labour-intensive industries can generate the millions of new jobs needed each year to maintain the social stability sought by the leadership in Beijing. Meanwhile, China can gradually build up the educational, legal and financial infrastructure needed for faster technological development in the longer term.

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Face value

Forever young?

Dec 18th 2003
From The Economist print edition

Playboy's Hugh Hefner and the maturing of the porn business

AP

LIKE Mick Jagger, who has just become Sir Michael, Hugh Hefner is a famous bad boy who has gradually evolved into one of the great and good. The 77-year-old, who launched *Playboy* magazine 50 years ago this month, has a road named after him in his hometown of Chicago, features in advertisements for such mainstream fare as burgers, gin and casual clothes (and we don't mean silk pyjamas and velvet smoking jackets). And, it is said, nowadays members of the public often greet him in the street with a “You're the Man!” Is there a greater compliment?

Maybe. This week, he received the ultimate establishment imprimatur: Christie's, the venerable auction house, sold off a half-century's worth of contents from Hef's attic. These included nude pictures of the most beautiful women in the world, including Brigitte Bardot, Sophia Loren, various supermodels and, of course, *Playboy*'s first centrefold, Marilyn Monroe. Also on sale: his little black address books, with phone numbers both for the famous, such as singer Nat “King” Cole, and for the likes of Lynn, known only by a brief note (“haven't met, friend of Joyce's, big T”)—and his old Mercedes, which comes with two invitations to the New Year's Eve party at the Playboy Mansion in Los Angeles.

Just as Mr Hefner has become a pillar of the establishment, so his publishing house has become the very model of a mature American corporation, both in its virtues and its vices—though Mr Hefner is probably the only corporate boss in America whose huge travel and entertainment expenses, including obligatory Playmates, continue to be regarded, without question, as a necessity of doing business. Playboy Enterprises—whose chief executive is Mr Hefner's daughter, Christie—has become a multimedia group, with TV channels in many countries and a great global brand: the black bunny head. Yet it must also grapple with three pressing problems common to many established firms: intensifying competition, the challenge of how to use the internet profitably, and the pervasive power of Wal-Mart. It is not clear how well it is grappling. The firm has only just edged back into the black, having lost money since 1999.

When *Playboy* started out, it dominated a niche somewhere between traditional men's magazines full of country pursuits and cheap porn rags. As this week's auction showed, Mr Hefner's genius was to feature lots of great writers in order that men could half-plausibly claim that they only “buy it for the articles”. Original manuscripts up for auction included fiction by Jack Kerouac, interviews with Vladimir Nabokov, Ayn Rand, and Orson Welles, letters from William Saroyan, Isaac Asimov (doubting that he would appeal to a wide audience) and Ray Bradbury (praising the merits of *Playboy* and *Mad* above all magazines).

There was even an original Ian Fleming story featuring the ultimate "*Playboy* man", James Bond.

The articles allowed Mr Hefner to claim, with some justification, that he was the apostle of a better life, not just a better, well, whatever. Now, he says, claiming victory, "we live in a *Playboy* world." The change in public attitudes spawned numerous rivals. By the late 1980s, like many successful innovations, *Playboy* was no longer unique. It featured the same beautiful women seen in many other places, including lingerie catalogues sent to every home. Worse still, in the 1990s, a number of distributors, notably Wal-Mart, ceased to distribute magazines featuring nudity. New publications flooded into *Playboy*'s niche of youngish male readers, such as *Maxim*, *Stuff* and *FHM*, which feature pictorials carefully designed to avoid distribution problems.

Bunny money

Though it has avoided the fate of *Penthouse*, a rival that is now bankrupt, *Playboy*'s circulation has fallen to 3.1m from a peak of 7.2m in 1972. Yet its reputation has lately been improving, perhaps due to Mr Hefner, who still oversees the magazine, reversing an earlier move in a harder direction that led to the so-called "pubic wars" with Larry Flynt's *Hustler*. Covers featuring women from Enron and WorldCom were well received. Actresses suffering through a dry patch in their careers have begun appearing in *Playboy* for a boost. In an effort to revive its fortunes, last year a new top editor was poached from *Maxim*.

Mr Hefner himself has that new-found appeal to teenagers and young adults, perhaps because he resembles the sort of elderly parent who will never say no, possibly because he throws good parties and possibly because his early taste in writers has proved sound. He certainly has a certain retro-coolness, which his magazine plans increasingly to echo. And yet this image does not reflect the real direction of his firm.

Mr Hefner's new respectability coincides with Playboy Enterprises' growing reliance on the sort of porn that people definitely do not buy to read the articles. (There are parallels with Richard Desmond in Britain, a publisher of some fairly hardcore porn magazines who has become chummy with Tony Blair since buying the *Daily Express* newspaper—and may buy the broadsheet of conservative England, the *Daily Telegraph*.) According to Nielsen//NetRatings, 33m unique visitors used an adult site in America in October—one in four internet users. In 1994, *Playboy* was the first national magazine to go online; the firm's sex and gaming sites are now turning a profit. Some 60% of the revenues of Playboy Enterprises now comes from online sites and cable TV. It will shortly launch another cable network, Spice Live, that will let viewers be "more interactive" with adult stars.

The challenge will be to stop the firm's hard-core porn sites harming the image of the softer *Playboy* magazine. Still, as Christie Hefner has pointed out, Disney has adopted a somewhat similar twin strategy, releasing less family-friendly movies, such as Quentin Tarantino's latest violent hit, "Kill Bill", under its separate Miramax brand. If Disney's boss, Michael Eisner, can manage to segment such different brands, why not Hef?

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Private equity

Parting the veil

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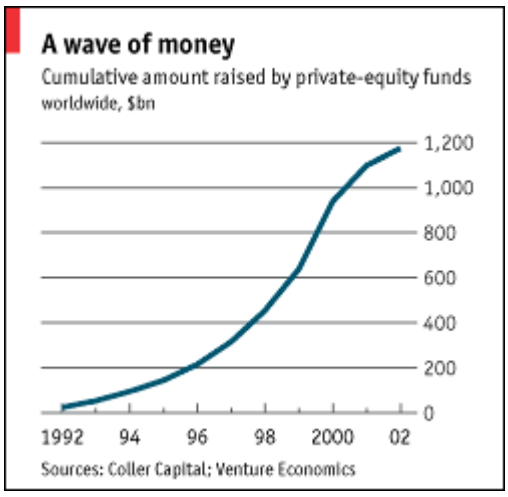
From The Economist print edition

A notoriously secretive industry is facing pressure to open up

A FEW years ago, the financial pages were full of stories about companies buying one another. They still are, even though big intra-industry mergers are currently rare. Today's purchasers have half-familiar names such as Blackstone, Carlyle or Newbridge: these are all private-equity firms, which buy businesses, both new and mature, with a view to sprucing them up and eventually selling them again. This week, for instance, Blackstone agreed to pay €3.1 billion ($3.8 billion) for Celanese, a German chemicals firm. The deal is the biggest involving a listed German company withdrawing from the stock exchange and going private.

Since 1980, estimates Venture Economics, a research firm, more than $1 trillion has been poured into private-equity funds (see chart). Once the industry was clubby and opaque, the preserve of rich families and private endowments. To some it looks sinister, especially when private-equity firms have former politicians on their boards, presumably for their connections.



In any case, these firms are facing growing pressure to be more open, and not just from conspiracy theorists. The main reason for this is the private-equity industry's own success. As it has grown, it has attracted a broader range of institutional investors, notably big public pension funds, lured by the prospect of decent profits not correlated with volatile stockmarket returns. Venture Economics reckons that pension-fund money accounts for two-thirds of current inflows. These institutions are themselves under growing pressure to reveal more information, and they need to know what their private-equity stakes are worth.

Awkward questions

When the technology bubble burst, pension funds were left with worthless stakes in private-equity deals that had gone sour, on top of the damage done by tumbling stockmarkets. Trade unions and other groups of employees have since been calling for more information from pension-fund managers about how workers' money is faring. Those representing public employees (and inquisitive journalists) have

been helped by state laws on the freedom of information.

In October, the University of California became the latest pension-fund investor, after state pension funds in California, Texas and elsewhere, to bow to legal pressure to release private-equity returns. It is still fighting to keep comments made during investment meetings out of the public domain. Some private-equity firms are hitting back. Rather than see public-sector investors release information, Sequoia, a Silicon Valley group, barred the Universities of California and Michigan from its newest fund and told them to sell their stakes in other funds. Other managers are giving less information to public investors, who are subject to state-disclosure rules.

A second reason for more openness is so far theoretical rather than real: the possibility of regulatory action. Already, hedge funds, also fast-growing and largely unregulated, have caught the attention of the Securities and Exchange Commission (SEC), which released proposed rules for such funds in September. So far the SEC has stayed out of private equity. But private-equity firms receive more public pension money than hedge funds do. Arguably, they are also more secretive, because hedge funds at least buy publicly traded securities (if in complicated ways).

So some in the private-equity business want to pre-empt rather than resist calls for more transparency. This month the Private Equity Industry Guidelines Group, a collection of big investors and private-equity funds, unveiled guidelines intended to help standardise the valuation of investments in non-listed companies. Currently, methods are not clear and vary between firms. Pension-fund investors complain that these can lead to huge differences in different private-equity shops' valuations of similar stakes in the same company.

The hope is that guidelines will make private equity more attractive to investors as well as staving off the possibility of external oversight. “With all the corporate fiascos of recent years, the regulatory climate has changed,” says one senior partner at a large buy-out firm, “No one wants the SEC pounding at the door.”

Outside America, the private-equity industry is less developed. There is also far less pressure from investors for greater openness. Curiously, however, Europe has had detailed valuation guidelines for years. These are still a work in progress—in Britain, an industry group is formulating the latest version—but Europe is nevertheless farther ahead.

Aside from the self-serving or understandable reluctance of private-equity firms to reveal more, there are also genuine conceptual difficulties in doing so. Ultimately, the only measure of a private-equity stake's value is what it fetches when it is sold. But a sale might be years away. Interim valuations, particularly in start-up companies, whose worth, if any, lies far in the future, are difficult. Fund managers' judgment may be the best guide. But fund managers often have an obvious incentive to err on the optimistic side. Even if they do not, different managers are likely to value the same prospect differently.

Meanwhile, there is a trend in accounting standards away from valuing assets at historic cost (ie, what they cost to buy) towards fair value (ie, what they would fetch if sold). On the plus side, this means that investments that have gone bad no longer stay on companies' books at grossly inflated historic-cost valuations. On the minus side, fair value depends largely on managers' subjective judgment.

How can this be improved upon? One idea, championed by Jeffrey Walker, of J.P. Morgan Chase's private-equity group, is to have a third party review valuations. The bank, as a publicly traded company, already does this for its own private-equity portfolio. Few in the industry favour this, though, arguing that private-equity managers should know better than outsiders what their investments are worth.

Another option might be to use prices in the secondary market for private-equity stakes and portfolios. The trouble is that the market is still too small to be much use, with only $3 billion-worth or so of equity changing hands annually. Much of this comes from distressed sellers, dumping their stakes cheaply to avoid having to meet their obligation to cough up more money when private-equity funds demand it. Other sellers are public companies that have decided to reduce their private-equity investments or to get rid of them altogether. Prices in such circumstances can also be depressed. Nevertheless, says Josh Lerner of Harvard Business School, “it's a step in the right direction.” He thinks the secondary market will help transparency in valuations as it matures.

The inevitability of visibility

Does transparency have its limits? Quite possibly: the business is called “private” equity for good reason. A lot of the investment goes into small, new firms, much of the rest into older companies that want to restructure out of public view. Most institutional investors understand this.

However, as the industry matures more transparent valuation tools are already being created. In America, some big financial groups have begun securitising their private-equity portfolios in order to clean up their balance sheets, get cash and reduce the capital they must set aside against equity investments. This requires valuation. In Switzerland, Partners Group and other innovative firms have devised bonds backed by private-equity and hedge-fund investments that are traded on exchanges and can be bought by retail investors for a few thousand dollars.

If private-equity funds want to keep growing at their present pace, they might one day want more retail money. In America, it is true, small investors are not yet allowed to invest directly in such funds. That could change; but a private-equity industry with a broad pool of investors would surely be watched more closely by regulators, and thus have to be more open. If that happens there won't be much “private” about the business any longer.

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Chinese life insurance

Off with a bang

Dec 18th 2003 | HONG KONG AND LONDON
From The Economist print edition

This year's biggest initial public offering

EPA

A thirst for Life

SHARES in China Life, China's biggest life insurer, made their debut on the New York Stock Exchange on December 17th. Their price ended the day 27% up. By any standard the initial public offering, the world's biggest this year, was a success. The company raised $3 billion. The retail part of the offering was 170 times oversubscribed. Sensibly, China Life had prepared 2.2m application forms for retail investors and 400,000 for local stockbrokers—one for every three people in Hong Kong, where the shares made a start on December 18th—as well as printing 250,000 copies of its 1,078-page prospectus.

The frenzy over China Life is reminiscent of that over internet stocks a few years ago. Last week in Hong Kong, hundreds of prospective China Life investors were lining up outside their local HSBC branches at 7am. The bank had to call on local police as well as its own security staff to keep order.

Hong Kong's hyperactive investors may have become a little more sophisticated since the flotation in 2000 of tom.com, the much-hyped online portal of Li Ka-shing, the territory's richest tycoon. Then, says an executive director of the Securities and Futures Commission, Hong Kong's stockmarket regulator, “people bought into tom.com just because they had heard the name Li Ka-shing.” Today, he thinks, they are buying China Life because they know China has 1.3 billion people and that life insurance is growing fast.

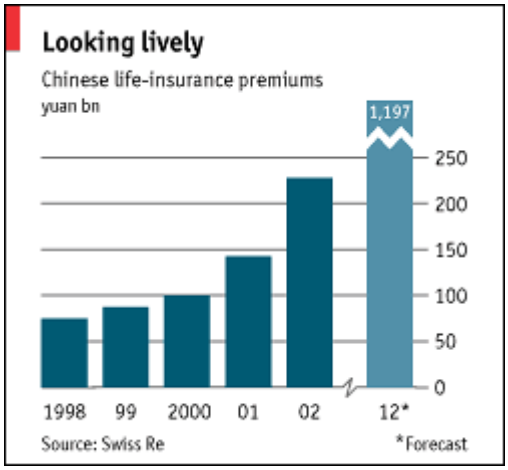
And yet Hong Kong investors are not that much more sophisticated. Last week Great Wall Automobile, China's 11th-biggest carmaker, saw the retail portion of its offering 683 times oversubscribed, about as much as tom.com's. One woman at the HSBC branch in the suburb of Mongkok told the local media last week that she had picked up a China Life form because “I walked past and saw people queuing, so I decided to queue too.”

Whatever investors' motives, they have an appetite for Chinese equities. Shares in companies based in mainland China but listed in Hong Kong, known as H-shares, have doubled in price this year. The Bank of New York's China index, a composite of the shares of 25 Chinese companies traded in New York as American Depository Receipts (as China Life's now are), has gained 59% in 2003. A month ago shares in PICC Property and Casualty, the first of China's three big insurers to be listed, rose by more than half on their first day of trading. China Life is the second. Ping An is expected to become the third in the second half of next year.

Often bitten, still not shy

Still, memories are regrettably short. Few of Asia's internet hopefuls exist today. All, including tom.com, have failed to fulfil their early promise. Hong Kong's red chips, local companies with exposure to mainland China that were investors' favourites in the mid-1990s, have been largely forgotten. Domestic stockmarkets in Shanghai and Shenzhen have been languishing for more than two years. The quality of companies listed on those exchanges can be rock bottom. The price of shares in one, Shaanxi Baoguang Vacuum Electronic Apparatus, has fallen by two-thirds since announcing last year, a few months after listing, that its profits would be 40% less than it had forecast when it floated.

Will China Life be different? The Chinese insurance market has great potential. According to Clarence Wong of Swiss Re, a reinsurer, life-insurance premiums in the first seven months of this year were 39% higher than in the same period in 2002. Business is expected to grow at a cracking pace (see chart). The Chinese are big savers, putting aside 40% of their income. They are getting richer. And the 1997 pension reform has given them an incentive to save more by shifting some of the burden of provision from the state to individuals.



When economic reforms began 20-odd years ago, China had no insurance industry to speak of. In 1948 there had been 241 insurers, of which 63 were foreign. After the revolution domestic insurers were merged into the People's Insurance Company of China (PICC's forerunner), which became a monopoly, and foreign insurers were expelled. In 1958, China abolished all insurance, except cover for cargo and aviation: anything more was deemed unnecessary. The People's Insurance Company became a department of the central bank.

Once reform started, the People's Insurance Company was separated from the central bank. Its monopoly ended in 1988 when Ping An was set up. American International Group became the first foreign insurer to be allowed to do business in China: it owns 10% of PICC. Others are now being let in, but must still set up joint ventures with domestic partners whose main business is not insurance. Under the terms of China's entry to the World Trade Organisation, all foreign insurers will be licensed to operate nationally by 2005.

Today PICC is China's leading property and casualty insurer. China Life is the dominant life insurer with a 45% share of a market where premiums still total only $27 billion a year. Most analysts consider China Life the country's most attractive life company because it has a wider distribution network and stronger brand recognition than its competitors. Ping An, the second-biggest life firm, has a 28% share.

Even so, China Life is no money machine. Its investment returns are low because it is required to park its money mainly in Chinese banks and government bonds. Mainland regulation, supposed to prevent money going offshore, bars insurers from investing in overseas equities, from putting more than 15% into Chinese equities and from investing in corporate bonds with low investment grades. And worries over corruption dog all mainland companies. On December 10th, Wang Xuebing, the former head of Bank of China in Hong Kong (the listed arm of one of the mainland's big four state-owned banks) was jailed for 12 years for graft.

Hong Kong's investors are likely to fare better with boring insurance than with flighty internet stocks. Even so, that the flotation went with a bang should not make them too confident. Even the best fireworks are short-lived.

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About sponsorship

Accounting standards

Common ground

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A move towards global accounting standards is proving controversial

ALL those transatlantic arguments, over Iraq, trade and so forth, can make it seem that Europe and America have nothing in common. Happily, in at least one area—accounting—there are signs of a rapprochement. On December 15th the Financial Accounting Standards Board (FASB) proposed changes intended to bring American rules nearer to international norms. Two days later, the FASB's counterpart in Europe, the International Accounting Standards Board (IASB), presented rules for accounting for derivatives in line with American practice.

Since last October, the FASB and IASB have been working together to narrow the gap between their regimes. The ultimate goal is to create one set of global accounting standards. Doing so, they say, will boost cross-border investment, deepen international capital markets and save multinational companies, who must currently report under multiple systems, a lot of time and money. Much credit for the progress made is due to Robert Herz and Sir David Tweedie, presidents of the FASB and IASB respectively. Both have exhorted business people, officials and politicians to support moves towards common standards.

However, business people and politicians are less happy than the standard-setters might have hoped. In America, business groups are already grumbling about at least one of the FASB's four proposals. This would require firms to restate prior years' earnings after any accounting changes, rather than permit just a one-off adjustment as they do now. Businesses say that, in the wake of the big accounting scams at Enron and WorldCom, investors are wary of any earnings restatements, even innocent ones.

But the big fight in America is likely to break out early next year, when the FASB is to re-open the debate over stock options, which are treated as an expense in Europe but not (yet) in America. The last time this battle was fought, in 1993, the FASB backed down after some lawmakers, pushed by deep-pocketed lobbyists for the technology industry, which was a heavy user of stock options for employees, threatened to strip the board of its rule-setting powers. Once again politics is coming into play. Richard Baker, a key member of the House of Representatives' Financial Services Committee, introduced a “compromise” bill in November blocking the FASB from forcing firms to treat stock options for most employees as an expense. And yet, illogically, the bill would require that executives' options be regarded this way.

In Europe, the new accounting rules for derivatives are also controversial. Currently, European firms value derivatives at their purchase price, which is often close to zero. The new standards would force firms to use the market values of these instruments instead, as American and Japanese firms already do. The Bank of International Settlements estimated that there were $7.9 trillion of over-the-counter derivatives outstanding at the end of June.

Banks and insurance companies, which are big users of financial instruments, are riled, claiming that the new rules will make their profits intolerably volatile. Political heavyweights such as Jean-Claude Trichet, president of the European Central Bank, and France's president, Jacques Chirac, agree.

Although the European Commission has said that all listed European companies should use the IASB's accounting rules from 2005, the European Parliament has the power to reject any standards not to its liking. So far it has not done so, but there is a chance that politics could stand in the way of new rules.

More worrying, the rules that have been proposed so far are the easier ones. The IASB and FASB have the longer-term intention of tackling trickier accounting issues such as the treatment of mergers and deciding when revenue should be recognised. When these more difficult changes are proposed, the resistance is likely to be even fiercer.

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Japanese pension reform

Don't grow old

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The government's proposals will surely fail to fix the public pension system

Get article background

IT MAY come as a surprise to French and German officials reforming their crumbling state pension schemes, but Chikara Sakaguchi, Japan's welfare minister, wants one just like theirs. European governments are wondering how to hold down workers' and employers' state-pension contributions and how to encourage their citizens to save more for their old age on their own account. Mr Sakaguchi wants to raise pension payments in Japan to European levels in order to keep the system going for decades. “We have to come up with a system that in 20 years' time will match state pension schemes in France and Germany,” he declares.

Not everybody shares his dream. The government's reform proposals, unveiled on December 17th, have horrified business leaders, dismayed finance-ministry officials trying to reduce Japan's huge public debt, and left workers as worried as ever about their old age. The government says that the pension levy on wages, borne equally by workers and employers, should rise from 13.6% now to 18.4% by 2017. It has also promised to increase its share of payments into the basic pensions pot from a third to a half by 2009, though it has not worked out where it will find the extra ¥2.7 trillion ($25 billion) a year it will need. The government hopes to keep the ratio of pensioners' benefits to their average salaries above 50%. Now it is around 59%.

This is unlikely to solve a looming pension crisis. Japan has the highest life-expectancy in the world, one of the lowest birth rates and accepts few immigrants, leaving a diminishing workforce paying for a rising number of pensioners. According to the Ministry of Health, Labour and Welfare, in 2000 the present value of the public pension system's liabilities exceeded its assets by ¥450 trillion, almost a year's GDP. The gap has since grown.

Poor investments have hobbled Japan's public pension funds, which may invest in shares and have often done so simply to prop up the stockmarket. The biggest state-run fund had a shortfall of ¥6 trillion at the end of March. The welfare ministry, disastrously, built holiday resorts with pension premiums. Now these must be sold. So far one has been, for 4% of what it cost to build. Not surprisingly, public mistrust is growing, which makes the sums worse. In the national pension scheme covering the self-employed, farmers, fishermen and students, 37% of those supposed to contribute do not bother. Many fear the scheme will collapse before they retire.

The latest reforms do not seem calculated to win those non-payers back. They are based on forecasts that look hard to believe. Officials have assumed that nominal wages (ie, before adjusting for inflation or deflation) will rise, even though they have fallen in four of the past 14 years. They have also assumed nominal investment returns of 3.2% from 2008, even though 20-year government bonds now yield only 1.9%. If any of these assumptions are too optimistic, then either benefits will be below the government target or more money will have to be found.

Japanese business groups are predictably complaining about having to part-finance the reforms. According to the Ministry of Economy, Trade and Industry, if the proposals become law, companies will eventually have to pay an extra ¥7 trillion in pension premiums each year. This would in effect reverse tax cuts implemented in the past 14 years. “The holes in the pension system won't go away if the economy doesn't grow,” says Jeffrey Young, an economist at Nikko Citigroup.

The bill for workers and businesses will in any case be higher than the extra contributions. The government, after all, will surely have to raise taxes in order to pay for its share. Junichiro Koizumi, the

prime minister, is adamant that he will not raise consumption tax to cover the bill—a simple method advocated by many in his own party, business groups and trade unions. So he is likely to increase corporate and income taxes instead, making the future for Japan's workers bleaker still.

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Economics focus

When small is beautiful

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How big should a nation-state be?

OF THE ten richest countries in the world in terms of GDP per head, only two have more than 5m people: the United States, with 260m, and Switzerland, with 7m. A further two have populations over 1m: Norway, with 4m and Singapore, with 3m. The remaining half-dozen have fewer than 1m people. What do such variations imply about the link between population size and prosperity?

People have been debating the optimal size of a nation-state since the days of Aristotle. Understandably, given the diminutive size of Greek city-states, he thought that “experience has shown that it is difficult, if not impossible, for a populous state to be run by good laws.” The Founding Fathers of the United States fretted about the excessive size of their new nation; but James Madison argued that large size might be an advantage in a democracy, because it reduced the likelihood that special-interest groups would be able to act in unison to suppress the rights of other citizens.

Now two economists, Alberto Alesina of Harvard and Enrico Spolaore of Brown University, explore the question in a new book* on the subject. Its importance has grown in the past half-century, as old political empires have disintegrated: more than half the world's countries now have fewer people than the state of Massachusetts, which has about 6m.

The book argues that the best size for countries is the result of a trade-off between the benefits of scale and the costs of heterogeneity; and that openness to trade alters this trade-off. The gains from being big are considerable. Large countries can afford proportionately smaller government (although they often don't). Essential running costs can be spread over many taxpayers. Embassies, armies and road networks are all likely to cost less per head in populous countries. Defence in particular is cheaper for giants. “It is only safe to be small in a peaceful world,” say the authors (who, unusually for economists, offer two stimulating chapters on conflict, war and the size of nations).

Large countries are able not only to spend more efficiently; they can also raise taxes in more cost-effective ways. Income taxes are more efficient than customs duties, but require a bigger initial bureaucracy. Large countries have bigger internal markets, allowing more specialisation and returns to scale. And they can redistribute resources geographically, providing insurance when one part of the country is hit by disaster or recession and shifting income from rich regions to poor ones.

But size has costs too. Thus large countries are also likely to have a diverse population whose varying preferences and demands a government may find hard to meet: America, Brazil and India are cases in point. A study of local government in the United States suggests that Americans are willing to put up with the higher running costs of small municipalities and school districts in exchange for living in communities with little variation in income, race or ethnicity. This could imply that people also prefer to live in more homogeneous countries. With the main exception of America, successful big countries (such as Japan) have relatively homogeneous populations.

One implication of this analysis is that, where the preferences of a country's people count, their country is likely to be smaller than it would otherwise be. Dictators typically suppress dissent, regional or ethnic. They see the benefits of size (and grab many of them); democracies are more conscious of its costs. So there are few recent examples of mergers between nation-states (North and South Yemen and the two Germanies are rare exceptions) but many of secession. The main reason for the resulting rise in the number of mini-countries is the shift from empire or dictatorship to self-determination, especially in the past quarter-century. “Borders need to satisfy citizens' aspirations,” observe the authors.

However, the trade-off between the costs and benefits of size is affected by another factor: trade restrictions. The importance of economic size for prosperity depends crucially upon how open a country's economy is. Small countries that may not be viable in a world of trade restrictions can prosper when trade is liberal and markets are open. “Henceforth,” say the authors, “one should expect economic integration and political disintegration to go hand in hand, in a mutually reinforcing process.” An instance: the existence of the North American Free Trade Area has arguably reduced the cost of separatism to Quebec.

The American exception

None of this, however, satisfactorily explains the United States. It has a hugely successful economy and one of the world's highest levels of income per head, yet is also one of the most diverse countries on earth. Surely this winning combination of size and heterogeneity disproves the trade-off theory?

The answer, says Mr Alesina, lies partly in history: as in many countries, borders are partly a legacy from the past. In America, the cost of heterogeneity was a protracted and bloody civil war. More important is America's federal structure. If the United States were as centrally ruled as, say, France, the country would break up.

In fact, a world of small economies with open borders will have to replicate America's federal strength. It will need more supra-national organisations, with more power, to preserve markets and co-ordinate policies. The European Union may be a prototype of such bodies, combining large economies of scale with political independence. For the small countries about to join it—Malta, the Baltic states, Slovenia—that is good news. And would-be separatists everywhere need to become free-traders, if they are to aspire to prosperous independence.

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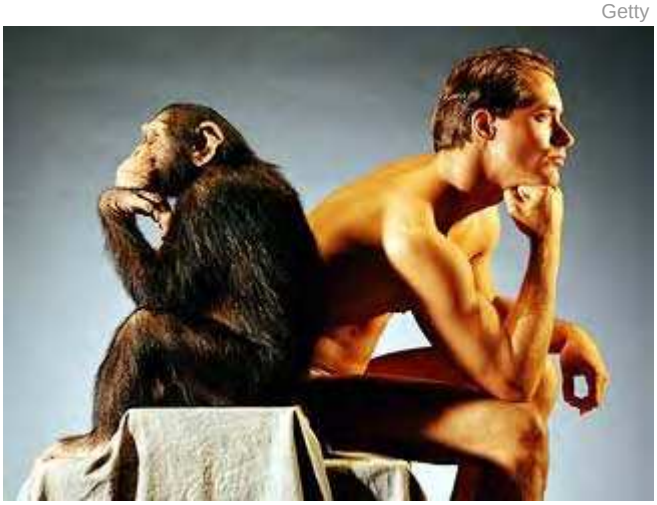
About sponsorship

Human hair

The bare truth

Dec 18th 2003

Getty



Why are humans nearly hairless? And why do some wish to become more so?

AT THE back of a hairdresser's shop, just off Piccadilly in London, an Irish beautician called Genevieve is explaining what a “Brazilian” is as she practises her art on your correspondent. A Brazilian strip, some are surprised to learn, is nothing to do with Latin American football. Between each excruciating rip, she explains that she is going to remove nearly all my pubic hair, except for a narrow vertical strip of hairs the width of a couple of fingers. This is known colloquially as the “landing strip”.

In only a few years, this form of waxing has gone from the esoteric to the everyday and is starting to rival the ordinary bikini wax in popularity. At the same time the bikini wax is becoming a normal procedure for women of all ages: the youngest person Genevieve has waxed is a 12-year-old girl. Women are styling their pubic hair into hearts, stars and arrows. It is one of the more notable developments in hairdressing since the permanent wave.

The agony involved raises the question of why women increasingly feel the need to remove a natural covering of hair. One theory is that they are trying to acquire a prepubescent look in order to please men. The waxers, though, will let you into another little secret which suggests that, even if this is true, it is not the whole story. Some men too, both straight and gay, are waxing their most intimate parts. Ouch.

At a biological level this behaviour seems even odder. Most other mammals seem quite content with a luxuriant growth of fur. The idea of a chimpanzee pulling out the hair on its genital regions is ridiculous. Perhaps waxing is little more than a pseudo-sexual fad: another example of the kind of erotic titivation, such as body piercing and tattooing, that was once popular mainly among sailors, hippies and prostitutes. There is another possibility, though. It could be an extension of a longer-running animal story: humanity's evolution towards near nakedness.

Humans are clearly obsessed with having too much hair. Last year men and women spent $8 billion removing it with razor blades, reports Gillette, which makes the things. Of this, $2 billion was spent by America's 100m men on beard removal. More than 90% of American men over 15 shave about five times a week. But as beards are, biologically, a sexual signal indicating masculinity, why shave them off?

Men have been shaving since antiquity, although the habit really got going only when Gillette replaced the cut-throat razor with the safety razor in 1903. Gus Van Beek, a curator of archaeology at the Smithsonian Institution in Washington, DC, says that Egyptian tomb paintings of men show them without

beards, or at least without real beards. When beards are depicted, they are false ones. This is known, says Mr Van Beek, because detached falsies have been found.

Beards may have been considered a disadvantage in hand-to-hand combat, since they can be grabbed. Yet much of the body, or so it is thought, was shaven by the ancient Egyptians. Mr Van Beek says that their razors would have been made first of copper, then of bronze and, much later, of brass. But the ancient Egyptians would not have gone in for the Sphinx, which is another style of pubic wax, named after the completely hairless Egyptian cat.

Great for scouring pots

It is not clear when women began shaving their legs. One idea, almost certainly wrong, is that the fashion began in the 1920s when western women's skirts became shorter. Typically, today's women start shaving at a slightly younger age than men do but they shave an area nine times as large. Although the average male beard has the same number of hairs as a woman's legs and underarms combined (7,000 to 15,000 hairs), the beard is denser and grows much faster. The average American man spends about 33 days of his life removing facial hair. Dry beard hair, says an alarming Gillette fact sheet on shaving, is “extremely abrasive and about as tough as copper wire of the same thickness.”

Though beards and hairy legs may be unwanted, head hair is greatly desired. Many men go to great lengths in their efforts to keep the hair on their heads. Male-pattern baldness, or androgenetic alopecia, is the commonest form of hair loss. By the age of 50, over half of all men are experiencing some thinning or loss of hair at the top or front of their scalp. It is caused by genetics and hormones, specifically the male hormone dihydrotestosterone.

If fat is a feminist issue, then baldness is a male one, according to statistics compiled by members of the American Academy of Cosmetic Surgery. The main reason a man will have cosmetic surgery (apart, that is, from botox injections) is for the transplantation or restoration of his hair. Roughly the same number of American men are having their hair revived as women are having their breasts augmented. In online chat groups, bald men from all over the world discuss their misery and inability to attract a mate (or “gf”). “I'd rather be fat than bald,” bemoans one.

Human beings' hairy preoccupations are curious because, compared with their closest animal relations, humans have very little hair to begin with. Hair is unique to mammals, and is one of the most obvious and defining characteristics of the group. It may have first evolved when sensory hairs—rather like a cat's whiskers—were multiplied over the body and became a useful insulator. Many scientists believe the evolution of hair is related to the evolution of warm-bloodedness: the ability to maintain a constant internal temperature. This may have given mammals an advantage in their early, nocturnal, environment, when they lived in the shadow of dinosaurs. Mammals have probably had hair for about 200m years, but since hair does not generally fossilise, scientists are not quite sure.

Of the 5,000-plus species of mammal, the only other (mostly) hairless creatures are elephants, rhinoceroses, hippopotamuses, walruses, whales and naked mole rats. It is easy to see why these few animals are not so hairy. Elephants and rhinoceroses are some of the largest of mammals, live in hot places and have trouble staying cool. The others live, at least part of the time, in water—where hair is not very useful—or underground, where temperature does not fluctuate as much as on the surface. Pigs are different. Their relative hairlessness has been bred into them fairly recently, in rather the same way as the unfortunate Mexican hairless dog.

A scientist might argue that humans are not, technically, “hairless”. Many have the same density of hair follicles as an ape of the same body size would have. But human hair is generally fine and short, and so humans look naked compared with their closest animal relations. How bare they are, though, does vary racially—which may explain why one Thai lady has requested that her European boyfriend should have his entire body waxed. But completely hairless human skin is found in only a few areas such as the soles of the feet, the areolae round the nipples, the umbilicus, and the palms and undersurface of the fingers and toes.

Despite the title of Desmond Morris's 1967 book, “The Naked Ape”, scientists do not know when in evolutionary history the “great denudation” took place. Or, for that matter, why. One of the more imaginative theories is that humans were once aquatic apes. This, it is argued, would explain why humans have hair on their heads: since the aquatic ape's head would have to be held out of the water, it would have needed protection from the glare of the sun. The aquatic-ape theory is also used to explain

why humans are relatively nimble in water, certainly compared with chimpanzees; and why the hair on the human back points in a direction that would reduce resistance from the water while swimming. But, as is often pointed out, the idea lacks hard evidence.

Cool, man

For many decades, the most popular explanation of hairlessness was that humans lost their hair to keep cool. Too much hair made humans—very active apes—hot, like elephants. Elephants evolved huge floppy ears to radiate heat back into their surroundings. But when hominids moved out of the forests and into the savannah, the same task could be carried out by the entire body, thanks to hominids' upright posture (which exposed less skin to the sun) and their lack of hair.

Unfortunately, as Mr Morris points out, there are problems with this idea, too. One is that no other animals of human size, indeed, no other savannah mammals at all, have shed their fur. Where are the naked lions? Another is that, though bare skin increases the chances of heat loss, it also increases the chances of heat gain, and the risk of damage from the sun. And nakedness makes humans vulnerably cold at night, even in Africa.

Mark Pagel, at the University of Reading, and Sir Walter Bodmer, at the John Radcliffe Hospital in Oxford, have a new idea. They believe that parasites are the key to human hairlessness. Humans, they say, lost their hair in order to reduce the burden of parasites such as fleas and ticks, some of which would have transmitted disease. Early humans probably lived close together in hunter-gatherer groups, in which the rate of parasite transmission was high. Hairless skin was easier to keep clean. Cultural adaptations, such as the use of fire, shelter and clothing, allowed humans to become furless.

What convinces them, they say, is the recent evidence of the great toll that ticks, lice and fleas have on the survival of furry and feathered creatures. Many animals die from parasites, and fleas carry the plague. Other scientists have recently discovered that when foreign species arrive on new shores they typically come with half as many parasites as they had at home. This gives them a huge competitive advantage over the local species, and explains why some become pests.

In 1874 Charles Darwin noted that, in the tropics, hairlessness would help humans to free themselves from ticks and other parasites. He showed some support for the idea in a passage reporting, “It is said to be a practice with the Australians, when the vermin get troublesome, to singe themselves.”

Some even argue that early cave paintings prove that cavemen were removing hairs from their face for similar reasons. At first, it is said, they plucked hair out using a pair of seashells as tweezers, and later they scraped away at it with razors made of flint or horn. Since horn becomes blunt quickly, it may almost be said that stone-age man invented the disposable razor. Others may have singed their facial hair with burning twigs. Why? Perhaps because it became sweaty and dirty, made eating awkward and played host to nits.

My husband is a hairy man...

The parasite theory may also help explain why women are less hairy than men. Mates of either sex would have chosen each other because of their lack of hair, argue Mr Pagel and Sir Walter, since this would suggest that the chosen one was likelier to be free of disease. But as men are more likely than women to select mates on their appearance, it may be that the evolutionary pressure driving hairlessness was greater in women than in men.

Hairiness is also related to the level of a predominantly male hormone. Hence, being less hairy may be a sexual signal of femininity. The companies that advertise female shaving, waxing and depilatory products often play on the fear that hair is dirty. The message is clear: if you don't want to look like a dirty man in a hygiene-obsessed world, get rid of your body hair. And as the fashion for revealing clothing and microscopic underwear spreads, so too does the desire to show only smooth, naked skin—a desire often reinforced by society. Consider the outcry when Julia Roberts waved to a crowd and revealed, to the horror of many, a hairy armpit.

Humans...lost their hair in order to reduce the burden of parasites such as fleas and ticks, some of which would have

More and more of the body is on display, and not always pleasurably. For many women, for instance, men's hairy backs and chests are an acquired taste. Smoother certainly usually means easier on the eye. Mr Pagel says he is struck by how many advertisements for women's clothes and scent show them with their backs exposed. This may, conventionally, be thought of as a normal, sexually suggestive, display. But Mr Pagel adds, “We do not normally regard backs as secondary sexual characteristics and so it occurred to me that what these advertisements may be subconsciously displaying is the ‘health’ and ‘fitness’ of the model by revealing a large area of unblemished skin.”

Some evolutionary biologists, though, are bristling at the parasite theory. Robin Dunbar, of the University of Liverpool, is sceptical. Parasites, he says, would have become a problem only when shelters were first established. But hairlessness, he says, evolved before shelters did. Some research suggests it evolved when walking upright became popular among hominids more than 2m years ago.

Mr Dunbar supports the cooling theory, and argues that when humans invaded the open plains, hair loss doubled the distance they could travel on a pint of water. Moreover, the presence or absence of hair clearly affects insulation because hair length changes on animals in different environments: elephants in cold places became the woolly mammoth. And it is now thought that humans started wearing clothes rather recently—work on the genetics and evolutionary origins of clothes lice suggests they first appeared some time between 30,000 and 114,000 years ago—certainly far too late to explain why humans lost most of their hair.

...but I am sexy

Whatever the explanation for the loss of hair, another explanation is needed for why men and women kept dense hair in three places: their heads, armpits and pubes. In particular, those who believe in the parasite theory must explain why humans merely shed some of their hair and not all of it, since the head, armpits and pubic areas are the very regions where human parasitic infections tend to occur.

The answer is sex, of course. David Stoddart, an olfactory biologist with Australia's Antarctic programme, points out that armpit and pubic hair grows just where the major scent glands are to be found. Hair is a means of wafting this scent about. Thus a tuft of hair allows humans, like other animals, to advertise to mates that something of interest is happening on the skin below.

Humans' crowning glory, the hair on their heads, is easier to explain. Again, it is a human characteristic that was shaped by sexual selection. A luxuriant head of hair is, and has always been, desirable in a mate. At least since the days of the Assyrians—between the 17th and seventh centuries BC—hair has been dressed, and has been an important signal for attracting and choosing partners. In Europe in the late 1760s, women's hair rose from the head and took on extraordinary proportions. Fashionable women might dress their hair powdered, draped over wire or basketwork foundations, and crowned with feathers, flowers, baskets of fruit, or even a miniature ship in full sail.

That still leaves beards. The theory here is that sexual selection has kept facial hair in men, presumably because this advertises their male hormones. But why, then, do so many men, in so many cultures, shave them off? Perhaps the fear of parasites is driving some men to be clean-shaven. Maybe the goatee is a compromise between being clean and manly. Or, perhaps, shaving is popular because facial shape in humans is a sexually dimorphic characteristic. Men tend to have squarer jaws than women, and they shave to highlight this. If so, this would explain the trend for emphasising the edge of the jawline with a fringe of hair. But moustaches are a mystery, to evolutionary biologists and to practically everyone else.

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Putting animals to good use

Nice work

Dec 18th 2003

Alamy

New tricks for old dogs, in a manner of speaking

NATIVE Americans revere the coyote for its low cunning and high ability to survive. For conservationists, it is an integral part of the scenery of pre-settler America. But for the sheep farmers of the Great Plains and the west, it is simply a pest: a wolf in short pants, a killer of stock, worthy only of eradication.

Attempts to control coyotes have concentrated on culling them. But coyotes have earned the respect they get from those who know them best: despite all efforts to slaughter them, they survive across a huge swathe of North America, munching on sheep with abandon. The country they share with the sheep is often open prairie, and hard to police. A fence is for them just an obstacle to overcome, and poisoned bait an accident waiting to happen to a passing bird of prey, as demonstrated by the death of many an eagle, a better-loved American icon, in the 1970s.

More effective solutions are clearly needed, and a new application of the ancient role of domestic animals as guardians provides one. It turns out that alpacas, llamas and donkeys have plenty of coyote-scaring power. Being herbivores, they eat the same fodder as sheep, and have no desire to dine out on their charges. Llamas and alpacas are naturally inquisitive, and intolerant of intrusion into their space. And the wily coyote is actually a small creature, easily intimidated, which usually hunts alone. Any old llama or alpaca is more than a match for it.

This is no isolated example of the imaginative use of animals in an age that usually seeks a technological solution to even the simplest of problems. In Florida, for example, attempts have been made to press the local manatees into service to devour the water hyacinths that choke the waterways. These amiable sea-elephants, which eat about 10-15% of their weight each day, can be used instead of herbicides, which can do great damage in an environment already fragile and much-abused. It is not a perfect solution: water hyacinths grow faster than the manatees can eat them, they sprout compensatory leaves for every leaf consumed and, alas, they are not the manatees' favourite food. Even so, with proper management, the manatees can do a lot of good.

In other places, too, local creatures have been recruited to do some of the work more usually done by men or machines. In Mozambique a Belgian charity called Apopo has deployed African giant pouched rats to help clear some of the 500,000 landmines that litter the landscape after the country's long years of civil strife. Elsewhere dogs have sometimes been used to clear the detritus of war. But rats are lighter, so

less likely to detonate a buried mine, and smaller, so easier to transport. They also work harder and learn faster than dogs.

With backing from the World Bank, Apopo's rats are now about to be put to use in neighbouring Tanzania, this time to detect tuberculosis in saliva samples. Poor countries are seeing a huge increase in TB: the number of cases in Tanzania is expected to quintuple, to 8m, by 2015. Early diagnosis vastly increases the chances of successful treatment, even in the 40% of infections that are HIV-related. But a trained technician using conventional methods in a lab may be able to analyse no more than 20 samples in a day. Sniffer rats, however, can process over 2,000 in the same time. Moreover, the use of rats is non-invasive and cheap; it requires no fancy instruments, and employs locals who do not need to be highly trained.

Monty Python's flying mousers

In Kenya elephants are threatened not only by poachers but also by farmers, whose crops they often eat or trample under foot. But elephants can be deterred, even, it is believed, by something as small as a bee. In any event, Save the Elephants, a local conservation group, is developing a scheme in which beehives are placed in strategic sites, in the expectation that their occupants, when disturbed, will sting the elephants in sensitive spots—behind their ears or under their trunks. The elephants will stay away, and the farmer may even harvest a bonus in the form of honey.

In central Java the latest recruits to help in the fight against the mice that decimate the rice crop are 300 pythons and ten owls. The officials behind this project are at pains to say that the predators are all indigenous, and that the locals have been trained to react to the sight of a two-metre python not with alarm but with salivation: the same officials hope the pythons will be hunted as a useful source of meat—once all the mice have gone, presumably. Still, there are always the ten owls.

Is it Batman? Is it a plane? No, it's a bird

Birds have long been helping out in similar roles elsewhere. In several large cities, notably London, and in airports from Canada to Japan, raptors have, for instance, been called into service to deal with unwanted gulls, pigeons or other feral birds. Some risk is inherent for creatures other than birds, as one Manhattanite discovered last summer when walking through midtown Bryant Park, only to see his pet Chihuahua swept down on by Galan the Harris hawk, a member of the Park Department's airborne anti-pigeon patrol. In China's western province of Xinjiang, where a plague of giant gerbils is reported to be reducing the grassland to desert, the authorities are breeding eagles to help in their poison-driven war on the rodents.

These examples all reflect the fact that a simple solution is often the best one, provided it is well managed, and provided the lessons of earlier mistakes are learnt. Thus in Wales one of the environmentalist's new friends is the Asian water buffalo, which has been brought from Vietnam to help rid the reed beds of invasive plants. Unlike the local cattle, the buffaloes love to wallow in the water and eat the plants. In the Teifi marshes, they are helping to prevent a boggy nature reserve from reverting to wet woodland, far less suitable for the preservation of dragonflies, damselflies and the rare marsh fritillary butterfly.

Another project involves the use of rare breeds for conservation purposes. Old grazing breeds tend to be hardier than modern ones and thus more suited to the adverse conditions of many endangered habitats. The grazing of creatures like the four-horned Manx Loghtan sheep, the white park (Britain's oldest native breed of cattle) and Exmoor ponies, says Richard Small, one of the project's founders, works well because it manages scrub and invasive heathland plants in a random manner. It therefore has less impact on insects and other little creatures in the food chain, and produces a far more “natural” landscape than humans or machines could.

The benefits of the approach can also be observed in East Anglia, on Redgrave and Lopham fen, the largest remaining river-valley fen in England, and home to the rare fen raft spider. Here, a herd of 13 Polish Tarpan ponies graze under the stewardship of the Suffolk Wildlife Trust. These sturdy beasts, at home in the dampness of the river valley, help preserve the fen and promote a thriving biodiversity—a cheap solution to a tricky ecological problem.

The East Anglian project is one example of the way in which some governments, in Europe at least, are at last trying to encourage farmers to manage their land well rather than just use it to produce as much subsidised food as possible. The British government said in a recent consultation paper that habitat preservation through the use of rare breeds should now be a specific goal, and held out the promise of money to help pay for it. Many taxpayers would prefer to see their money spent on such “environmental stewardship” schemes than on the rape of the countryside in pursuit of unwanted food.

Using animals to solve environmental problems is not a new idea. It was vigorously put into practice when a new faith in science swept 19th- and early 20th-century Europe. And sometimes it worked. Thus the Australian ladybird brought to California a century ago was successful in controlling cottony cushion scale, a common citrus pest, and in 1931 stoats and weasels did a nifty job with a plague of water voles on the North Sea island of Terschelling. But these success stories were unusual. Much more common was the destruction or transformation of the environment, sometimes leading to the mass extinction of indigenous species.

This had been the story in New Zealand, for example, when the colonists tried to create a new-world land of opportunity in the image of the one they had left behind in Europe. Rabbits shipped in as a source of food for the settlers soon ran rampant in the absence of natural predators and diseases. Stoats, brought in to deal with the rabbits, instead turned their attention to local ground-nesting birds, helping to drive several species to extinction.

Australia has been similarly afflicted by the cane toad, an unlovable amphibian brought from South America in 1935 to combat the sugar-cane beetle in Queensland. Since the beetle lives high on the cane, well beyond the toad's reach, the plan failed, but the toads, which exude a toxin lethal to predators, have spread all over the country.

Think green, think greenbacks

Fortunately, some lessons have been learnt. Today no one seriously thinks of simply dumping a wild creature—or, rather, thousands of wild creatures—in new surroundings in the hope that a single desirable change will result: a process of management is applied, with a keen eye both on the entire range of the animals' characteristics and on the broader eco-system in which they will live. Generally speaking, attempts to influence the environment nowadays aim to preserve and restore, not to transform—not least because, in the developed world at any rate, preservation of the environment is increasingly considered to have an economic value. The growing popularity of eco-tourism is one manifestation of this.

So animals can indeed be used to solve environmental problems, and their use will increase when it is shown to be cheaper and more effective than other methods. But such approaches are still far from common, especially in poor countries where animals, plants and unspoilt country may be at the greatest risk of despoliation at the hand of man. Luckily, it is becoming ever more clear that the simple solution is often the best—and, most crucially, the cheapest.

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Climate change and civilisation

Time and chance

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Bridgeman

Natural climate change may have started civilisation. And the spread of farming may have caused as much global warming as industry is causing now

PEOPLE, like most animals, are naturally lazy. So the ascent of mankind is something of a mystery. Humans who make their livings hunting and gathering in the traditional way do not have to put much effort into it. Farmers who rely on rain to water their crops work significantly harder, and lead shorter and unhealthier lives. But the real back-breaking, health-destroying labour is that carried out by farmers who use irrigation. Yet it was the invention of irrigation, at first sight so detrimental to its practitioners, that actually produced a sufficient surplus to feed the priests, politicians, scholars, artists and so on whose activities are collectively thought of as “civilisation”.

Given all the extra effort involved, why people first bothered to plant crops, and more particularly why they then went on to plant them near rivers running through deserts—with all the attendant canal-digging that required—is a puzzling question. But some light was shed on it at a recent meeting of the American Geophysical Union, in San Francisco. It may all, it seems, be down to climate change.

Necessity and invention

In the past 10,000 years, the world's climate has become temporarily colder and drier on several occasions. The first of these, known as the Younger Dryas, after a tundra-loving plant that thrived during it, occurred at the same time as the beginning of agriculture in northern Mesopotamia, in land now controlled by Turkey, Iraq and Syria. It is widely believed by students of the field that this was not a coincidence. The drying and cooling of the Younger Dryas adversely affected the food supply of hunter-gatherers. That would have created an incentive for agriculture to spread once some bright spark invented it.

Why farmers then moved on to irrigation is, however, far from clear. But Harvey Weiss, of Yale University, thinks he knows, and he outlined his ideas to the meeting.

Dr Weiss observes that the development of irrigation coincides with a second cool, dry period, some 8,200 years ago. His analysis of rainfall patterns in the area suggests that rainfall in agriculture's upper-Mesopotamian heartland would, at this time, have fallen below the level needed to sustain farming reliably. Farmers would thus have been forced out of the area in search of other opportunities.

Once again, an innovative spark was required. But it clearly occurred to some of these displaced farmers

that the slow-moving waters of the lower Tigris and Euphrates, near sea level, could be diverted using canals and used to water crops. And the rest, as the cliché has it, is history.

Even irrigated civilisations are not, however, immune from climate change. One of Dr Weiss's former students, Sarah Parcak, of Cambridge University, presented data to the meeting on how a third period of cooling and drying, 4,200 years ago, destroyed the Old Kingdom of Egypt.

Ms Parcak re-analysed a number of satellite photographs to produce a comprehensive survey of “tells” in part of the Nile delta. A tell is a mound that marks the site of an ancient settlement (it is the result of debris from human activity in the settlement building up over the years). Her analysis located 44 previously unidentified tells, which she then dated from shards of pottery she picked up there. Adding her data to that from known and studied tells, she was able to tell, as it were, the story of the Old Kingdom's demise, and its connection with climate change.

Though Egyptian agriculture was (and still is) based on irrigation, the flow of the Nile is controlled ultimately by rainfall patterns at its headwaters. Ms Parcak found a precise correlation between settlement patterns in her study area and climate change. The population shrank drastically as the global climate cooled. Some 27 sites were occupied before this happened. That dropped to four after the change.

Of course, rain-fed agriculture is even more vulnerable to climate change than the irrigated variety, as Ms Parcak's Cambridge colleague Lauren Ristvet showed the conference with her study of northern Syria during the same period as the fall of Egypt's Old Kingdom. Like Ms Parcak, she identified sites from satellite photographs and then dated them by visiting them. She then correlated the data from these visits with estimates of local rainfall made by examining the composition of rocks from nearby caves. These suggested that rainfall had fallen by 20-30% in the global cooling 4,200 years ago. That may not sound disastrous, but it would have been enough to make farming in the area unviable.

The evidence on the ground suggests that this is exactly what happened. Agricultural villages disappeared, to be replaced by the temporary camps of pastoralists, whose herds grazed on wild plants which required less rainfall than farmed crops. It is not surprising, then, that this hitherto unobserved demographic change coincides with the collapse of the Akkadian empire, which controlled the area until 4,200 years ago.

Change and decay

So climate change helped to intensify agriculture, and thus start civilisation. But an equally intriguing idea put forward at the meeting is that the spread of agriculture caused climate change.

In this case, the presumed culprit is forest clearance. Most of the land cultivated by early farmers in the Middle East, Europe and southern China would have been forested. When the trees that grew there were cleared, the carbon they contained ended up in the atmosphere as carbon dioxide, a greenhouse gas. Moreover, one form of farming—the cultivation of rice in waterlogged fields—generates methane, another greenhouse gas, in large quantities. William Ruddiman, of the University of Virginia, explained to delegates his theory that, in combination, these two phenomena had warmed the atmosphere prior to the start of the industrial era by as much as all the greenhouse gases emitted since.

Dr Ruddiman's hypothesis is grounded on recent deviations from the regular climatic pattern of the past 400,000 years. This pattern is controlled by what are known as the Milankovitch cycles, which are in turn caused by periodic changes in the Earth's orbit and angle of tilt toward the sun. One effect of the Milankovitch cycles is to cause regular and predictable changes in the atmospheric concentrations of carbon dioxide and methane. These changes can be followed by studying ice cores taken in Antarctica.

According to Dr Ruddiman, the changes seen in the cores are as regular as clockwork until about 8,000 years ago. At that time carbon dioxide levels begin to rise at a point when they ought to start falling. About 5,000 years ago there is another upward deviation, this time in methane levels. The former, he contends, coincides with the beginning of extensive deforestation associated with the spread of agriculture into Europe and China. The latter coincides with the invention of “wet rice” farming. In combination, he calculates, these upward deviations make the atmosphere about 0.8°C warmer than it would otherwise be at this point in the Milankovitch cycles, independently of any greenhouse warming caused by industrialisation. That has been enough to keep parts of Canada that would otherwise be covered in glaciers, ice-free.

Of course, this is a difficult hypothesis to test. But Dr Ruddiman does have a test of sorts. Three times in the past 2,000 years, there have been periods of cooling (most recently, the “little ice age” of the 17th and 18th centuries). These, he notes, followed the three largest known periods of plague, when the human population shrank in various parts of the world. The first period was a series of plagues that racked the Roman empire from the third to the sixth centuries. The second was the Black Death and its aftermath. The third was the epidemic of smallpox and other diseases that reduced the population of the Americas from some 50m to about 5m in the centuries after Europeans arrived, and which coincided with the little ice age. In each case, a lot of previously farmed land turned back into forest, sucking carbon dioxide out of the atmosphere and cooling the climate. As environmentalists are wont to observe, mankind is part of nature. These observations show just how intimate the relationship is.

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Bjorn Lomborg

A reprieve for free speech

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The scourge of the greens wins a round

All smiles for Dr Lomborg

NEW developments to report in the saga of Bjorn Lomborg and "scientific dishonesty". Dr Lomborg, currently the director of Denmark's Environmental Assessment Institute, is the author of "The Skeptical Environmentalist", a global bestseller that embarrassed green groups by documenting their systematic exaggeration of the Earth's environmental problems. Furious environmentalists brought a complaint about the book before a body called the Danish Committees on Scientific Dishonesty (DCSD), which, as we reported on January 11th of this year, found that: "Objectively speaking, the publication of the work under consideration [Dr Lomborg's book] is deemed to fall within the concept of scientific dishonesty."

This finding, and the total absence of evidence or argument to support it, struck many as bizarre. Having read the DCSD's report, we ourselves concluded, "The panel's ruling—objectively speaking—is incompetent and shameful."

On December 17th, Denmark's Ministry of Science, Technology and Innovation published its own response to the DCSD's finding. It is more politely expressed than ours, but comes to much the same conclusion. The ruling is thrown back to the DCSD with instructions to think again. Among a long list of telling criticisms, the ministry says this: "the DCSD has not documented where [Dr Lomborg] has allegedly been biased in his choice of data and in his argumentation, and...the ruling is completely void of argumentation for why the DCSD find that the complainants are right in their criticisms of [his] working methods. It is not sufficient that the criticisms of a researcher's working methods exist; the DCSD must consider the criticisms and take a position on whether or not the criticisms are justified, and why."

Quite so. What kind of panel is it that purports to be concerned with scientific dishonesty, but needs somebody else to point this out?

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Evolutionary biology

Hey, big spender

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Men lose their fiscal prudence in the presence of attractive women

YOU already knew it, but now science has confirmed it: a glimpse of a beautiful woman can change the way a man thinks. Change him, in this case, from the kind of chap who prefers $100 a year hence to $25 tomorrow, into one who simply cannot wait the extra 364 days.

Economists and psychologists have been exploring the notion of discounting the future for some time now. For most people, money today is worth more than the same amount in the future. But how about twice that in a few weeks' time? Or three times as much in a half year? It is already well-known that men discount the future more steeply than women and that certain types of people—addicts, for instance—discount more steeply than others. But it has mostly been taken for granted that the way a person discounts is a stable personality trait, and an arbitrary one.

Two researchers at McMaster University in Hamilton, Ontario, however, dispute these points. They have shown, in a study just published in *Biology Letters*, that an individual's discount rate can be manipulated. They also argue that the change makes good sense.

Margo Wilson and Martin Daly, famous for a study several years ago which showed that children are far more likely to be killed by step-parents than biological parents, tend to look at things from a Darwinian point of view. They reckoned the reason men discount more steeply has to do with the male reproductive imperative: score often, score early and, above all, score when you can. There is no point husbanding resources for the future when the opportunity is now. So Dr Wilson and Dr Daly wanted to see if they could put men into a “mating opportunity” mindset and temporarily alter the way those men valued present and future goods.

Over 200 young men and women participated in the study, which was divided into three parts. In the first, the participants were asked to respond to nine specific choices regarding potentially real monetary rewards. (At the end of the session, they could roll dice to try to win one of their choices, which would be paid by an appropriately post-dated cheque issued by the university.) In each case, a low sum to be paid out the next day was offered against a higher sum to be paid at a specified future date. Individual responses were surprisingly consistent, according to Dr Wilson, so the “pre-experiment” threshold of each participant was easy to establish.

The volunteers were then asked to score one of four sets of pictures for their appeal: 12 attractive members of the opposite sex; 12 non-lookers; 12 beautiful cars; or 12 unimpressive cars. Immediately after they had seen these images, they were given a new round of monetary reward choices.

As predicted, men who had seen pictures of pretty women discounted the future more steeply than they had done before—in other words, they were more likely to take the lesser sum tomorrow. As Dr Wilson puts it, it was as though a special “I-want-that-now” pathway had been activated in their brains. After all, the money might come in handy immediately. No one else was much affected. (Women did seem to be revved up by nice cars, a result the researchers still find mystifying. But the statistical significance of this finding disappeared after some routine adjustments, and in any case previous work has suggested that women are more susceptible to displays of wealth than men are.)

Dr Wilson and Dr Daly speculate that the simple act of regarding beautiful women is able to engage and manipulate the male brain's reward centres. This idea is supported by earlier brain-scanning studies which showed that looking at beautiful women, but not plain ones, arouses a man's nucleus acumbens, the part of the brain that evaluates rewards. That structure, in turn, is tightly linked to the orbitofrontal cortex, which has been shown to be activated by monetary rewards. So, ladies, it looks as though you

were right. Men are just as gullible as you thought they were.

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Winemaking and radar

A penetrating result

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Using radar to measure soil moisture will produce better wine

FINDING the right soil-moisture levels for temperamental vines is one of the trickiest challenges which winemakers face. Too little water and the crop withers. Too much and the vines develop vigorous leaves at the expense of their fruit. And in some of the world's great winemaking regions, such as California, geological variations mean that the ability of soil to retain or lose moisture can change within distances of a few metres.

Monitoring the soil's water content is not only difficult, but tedious. Current techniques involve drilling sample holes at numerous locations within a vineyard. This is costly and time-consuming. It also carries the risk of producing an inaccurate picture of the overall distribution of moisture, as the spots chosen for sampling may be considerably damper or drier than the soil just a few metres away. But now, a group of researchers at the University of California, Berkeley, led by Susan Hubbard, are lending a high-tech hand to California's grape-growers. They have adapted ground-penetrating radar (GPR) to map moisture levels in vineyards.

GPR is not a new technology. Over the past three decades, it has been developed to locate buried objects such as electrical cables, tanks and pipes. It has also been employed to study archaeological sites without digging them up, and so destroying them. As its name suggests, it works by broadcasting a radar wave into the ground and interpreting (as any radar does) what is reflected back. In GPR's traditional applications, the wave bounces off buried surfaces, revealing a picture of the subterranean world. But a variant of the technique, which involves measuring changes in the speed of the reflected wave, can reveal information about moisture. That is because radar signals move faster in dry soils than in wet ones.

Dr Hubbard and her colleagues have been trying their idea out at the Robert Mondavi and Dehlinger Wineries in northern California, by pushing a small GPR unit in a wheelbarrow between the rows of grapes. Their research has shown that it is, indeed, possible to build a high-resolution “moisture map” of a vineyard, revealing with great precision the areas that need more, or less, irrigation.

According to Dr Hubbard, GPR could allow farmers to manage their vineyards more effectively by identifying areas with uniform blocks of soil and matching them to particular grape varieties. Cabernet sauvignon, for instance, is best planted in drier soils, while chardonnay does best in damper ones.

Another of the researchers, Yoram Rubin, reckons that using GPR this way could also help to combat agricultural pollution by reducing the run-off that results from excessive irrigation. It could even make harvest-time less of a chore, as grapes produced with the same amount of moisture are likely to mature for harvesting at the same time. Using GPR, it seems, water will be converted into wine more efficiently than at any time in history.

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New theatre

How to frighten the children

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The National Theatre's staging of “His Dark Materials” will be the season's delight

WHEN the curtain rises on “His Dark Materials”, the terrible choices facing our two heroes have already been made. Lyra, the feral child, and her good friend Will meet on a park bench at midnight on midsummer's eve, immured forever behind the gossamer walls of their two worlds. They cannot kiss, or even touch. “Even though you're further away from me than the furthest star,” says Will. “You're here. Right here. On the same bench. In a different world.”

Sir Nicholas Hytner knew as soon as he read “His Dark Materials” that Philip Pullman's highly imaginative recreation of “Paradise Lost” was made for the stage. Love sacrificed, choosing right over wrong, how we become who we are; these are the themes underpinning the story. Never mind getting lost in the dark forest, one wrong step here and it's eternal lobotomy or seeing your soul sucked out by a spectre.

By placing the end of the books—the park bench encounter—right at the very beginning, Sir Nicholas deals cleverly with the sequencing and adds another dimension to a tale that many people see as just a piece of science fiction. The story's great arc—how Lyra and Will come to recognise their love only to give it up to save mankind—is told in flashbacks: the revelation of the existence of other worlds (“I spread my wings”, says Will, “and I brush ten million other worlds, and they know nothing of it”) begins in Lyra's world, the other Oxford, before passing on to Will's Oxford.

In between, we travel to Cittagazze, the world where children are safe but adults are in mortal danger, and meet the witches' flying goose. We learn of the importance of the dust that comes from other worlds—is it good or is it evil?—of the witch clans of the Arctic, the knife that cuts openings between the worlds, and of the kingdom of the Panserbørne, the animals who shelter Lyra and who are ruled by the magnificent armoured bear Iorek Byrnison, played so poignantly by Danny Sapani.

We learn of the importance of the “daemons” or animal-like souls that accompany the inhabitants of Lyra's world, of the identity of Lyra's real parents, Lord Asriel and Mrs Coulter, and of the ultimate challenge—Lord Asriel's plot to overthrow the church, or Authority (with its priestly figures in Jesuit purple and its headquarters cleverly based in Calvin's Geneva) in order to free mankind of its terrible grip.

The director has made excellent use of the technical possibilities offered by Nicholas Wright's script. The “daemons”—wired lizards, birds, snakes and monkeys, covered in floating organza and lit from inside—are intriguing interlocutors for the main characters. They move lightly about the stage and, in speaking, articulate their owners' every thought.

The seldom-seen subterranean monster—the revolving drum set deep into the Olivier stage—also comes into its own here. The drum turns as the players move on and off-stage, but it is in the centrepiece, rising and falling to reveal the myriad new worlds, that it really comes to life. The vile, secret experiments and the intrigues that go on in the Oxford college rooms are all staged low down; the witch queen's flight and Lyra's race across the Arctic, borne by the bear king dressed in Japanese warrior robes, are set high up on the central drum of the stage.

Straddling the whole performance, though, both physically and emotionally, are three of the actors. Patricia Hodge, as Mrs Coulter, is as beastly in khaki safari-wear as she is beguiling in full-length fox. As her former lover, the ever-impelled Lord Asriel, Timothy Dalton draws as much inspiration from Sir Ranulph Fiennes as he does from his earlier incarnation as James Bond. No rock is too high, no world too distant as Mr Dalton leaps the giant stage in a leggy one-two-three.

In the end, it is Anna Maxwell Martin as Lyra who really carries the six-hour epic. Abandoned by both parents, raised by guardians who can only take her part of the way, Lyra strikes her own road towards her destiny. Do not be taken in by her pigtails and her bandy legs, here is a heroine as intelligent as she is wild, a heroine anyone would follow to a new world.

“His Dark Materials”, Parts I and II, is at the Royal National Theatre, London, from January 3rd-March 20th. Tickets from www.nationaltheatre.org.uk

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About sponsorship

American foreign policy

In search of monsters

Dec 18th 2003
From The Economist print edition

DON'T misunderestimate George Bush. That is the central message of “America Unbound”, an account of how, after a largely misspent youth, a callow man became at the age of 48 governor of Texas and then, just six years later, president of the United States—whereupon he turned America's foreign policy upside down.

Mr Bush is widely seen, abroad if not at home, as a bonehead with more brawn than brain who has little control over his administration, especially of the neoconservatives who seem to exert such influence within it. This view is rubbish, argue Ivo Daalder and James Lindsay, both scholars at American think-tanks. Mr Bush is his own man; he sees himself as the chief executive officer of a huge enterprise and acts accordingly; he has a world view and a clear idea of how America should fit into it; and he is no fool. Moreover, all of this could be detected from his conduct on the campaign trail. It is not the product of finding himself in the White House, still less of the events of September 11th 2001.

America Unbound: The Bush Revolution in Foreign Policy
By Ivo H. Daalder and James M. Lindsay

Brookings Institution Press; 246 pages; $22.95

Buy it at
Amazon.com
Amazon.co.uk

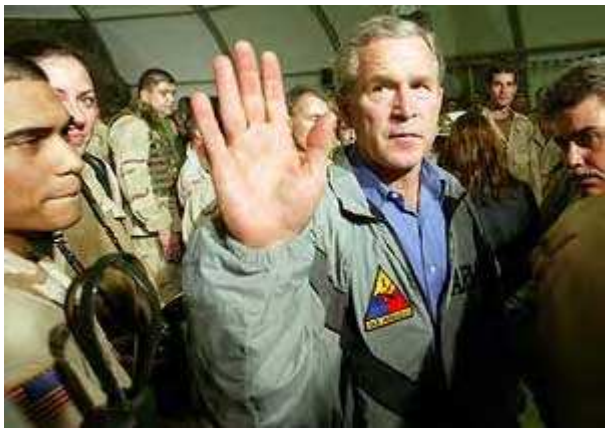
Trouble with grammar and a propensity to utter malapropisms have made people think Mr Bush is stupid. The evidence from his exam results suggests otherwise (he attended both Yale and Harvard, and his scores in the national scholastic aptitude tests were more than respectable). His all-too-evident ignorance, and his candid admissions of it, have made people think he has no convictions either. He might not know where Kosovo was, but, he said more revealingly, “I know what I believe in.” As the authors point out, most people do not form their views in the light of facts; indeed, the more facts they know, the less likely they are to hold simple convictions.

The president was not a complete ignoramus: he knew where to look for help. Thus he plundered the address book of his Republican predecessors for the top members of his administration—not so much people from his father's day as from Gerald Ford's and Ronald Reagan's. Philosophically, George Bush junior is not his father's son but Mr Reagan's, and like the Gipper he too came to the presidency with priorities, even though he had to change them after September 11th. When he did so, however, it was not to abandon his former foreign-policy ideas but to direct them towards the single goal of fighting terror.

What were these beliefs? In short, they held that the world was a bad, dangerous place; that the nation-state was its most important constituent part; that power, especially military power, was the coin of the realm in such a world; that international organisations and treaties only constrained the use of American power; and that, uniquely among nations, America's interests and its ideals were at one. This was the altogether new element that Mr Bush brought to foreign policy—the conviction that America's motives were always pure and would be seen as such by others because it wanted only to spread freedom, prosperity and peace. It led easily on to what he was to term the “new doctrine called pre-emption” that he produced before invading Iraq.

Such beliefs had little room for diplomacy, engagement abroad and treaties—hence the reaction to the Kyoto protocol and all those bits of paper about biological weapons, a comprehensive nuclear test ban and, horror of horrors, a world criminal court. They were also out of sympathy with “nation-building”—helping ravaged countries to get back, and stay, on their feet. And if this antagonised the rest of the world, well, too bad. The campaign remark about arrogance—“If we're an arrogant nation, they'll resent us. If we're a humble nation, but strong, they'll welcome us”—was one of the few that was forgotten, or at least reinterpreted.

AFP



You disagree? Too bad

The big surprise was that this view of the world survived September 11th, an event that would have caused even an experienced president to undertake a pretty radical rethink, and perhaps to reconsider attitudes to co-operation both with allies and with international organisations. But not the remarkably self-confident Mr Bush. “At some point we may be the only ones left,” he was to say. “That's OK with me. We are America.” September 11th had been the consequence of a lack of American resolve in the Clinton administration (perhaps even in his father's?), he believed; nation-states held the key to dealing with it, and all other countries were either with him or against him in the war against terror. Terrorism was, after all, an undifferentiated evil, and he was an instrument of providence, if not of God, destined to rid the world of it.

If anyone thinks Mr Bush is not responsible for foreign policy, whether the general approach to China or North Korea, the wars against Afghanistan and Iraq or the new American attitude toward Europe, they are wrong, argue Messrs Daalder and Lindsay. Mr Bush is in charge of the cabinet, and he has been ready to put down its supposedly dominating figures, sometimes in public, when he disagreed with them—Donald Rumsfeld on defence spending, Colin Powell on North Korea, Dick Cheney when he tried to displace Condoleezza Rice as head of an inter-agency committee. He is determined, and he means what he says (so pay attention when he emphasises freedom rather than democracy: the Iraqis may have to be satisfied with liberation).

But this determined, clear-eyed man is also pragmatic, and no slouch at politics, as his victory in Texas (never mind the presidential contest) made clear. So what does that mean for Iraq policy as the American election draws near? Among Mr Bush's advisers, the neoconservatives, whom the authors prefer to call democratic imperialists, will be arguing for more troops and money to democratise Iraq. The others, whom they call the assertive nationalists, will be arguing for a swift exit.

Mr Bush will have to make a choice. His born-again belief in his own mission to rid the world of terror and to spread the freedom that is, in his view, synonymous with America, suggests he will back the democratic imperialists. These are the people who want to remake the world, starting with the Middle East, in America's image. But Mr Bush's pragmatism, his desire to win re-election and his distaste for state-building all point to an attempt at early extrication from the Iraqi mess, so long as he cannot be accused of cutting and running—by either voters or historians. And, say the authors, Mr Bush is much more of a nationalist than a neocon.

How much of the Bush revolution will endure is not clear. The disdain for diplomacy and other foreign entanglements is already proving expensive, and at some stage the United States will surely want to engage with allies on more emollient terms. Meanwhile, the world had better get used to living with an audacious risk-taker, who, unlike his predecessor John Quincy Adams, is not afraid to sally forth in search of monsters to destroy.

America Unbound: The Bush Revolution in Foreign Policy.
By Ivo H. Daalder and James M. Lindsay.
Brookings Institution Press; 246 pages; $22.95

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About sponsorship

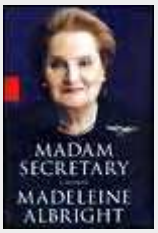
Political memoirs

Diplomat in a flannel nightgown

Dec 18th 2003
From The Economist print edition

FOR most secretaries of state diplomatic discretion dictates a memoir that begins with something other than the personal pronoun. Not Madeleine Albright. Proud to excess of her place in history as the first woman chosen as America's chief diplomat, she wades right in and begins with the "I" word. After that, she rarely lets up with "I" and "me".

Madam Secretary: A Memoir
By Madeleine Albright



Miramax Books; 562 pages; $27.95
Pan Macmillan; £25

Buy it at
Amazon.com
Amazon.co.uk

Memoirs by secretaries of state are usually part personal, part history, with a lashing of Washington politics. In recent times, George Shultz set the bar high with a deeply detailed account of policy battles and diplomatic missions during nearly seven years in office. Mrs Albright has gone the other way. With often close-to-the-bone emotion, and never afraid to get too soupy, she devotes a fair hunk of the book to her life story, including details of a divorce she did not want and the women who offered her solace afterwards.

Born before the second world war, the daughter of a Czechoslovak diplomat who later became a history professor at an American university, she adored her father and emulated his devotion to hard work. While she does not put it this way, he let her down. He failed to tell her of her Jewish ancestry and that three of her grandparents were killed by the Nazis in concentration camps, facts that were made public on the day she was confirmed as secretary of state. Mrs Albright also says, rather incredulously, that even though she was riveted by 20th-century European history, it never occurred to her to wonder about a Jewish heritage.

AP

Clinton's lucky star

Mrs Albright makes a great to-do of the fact she used the social network at her daughters' private school to get ahead in Washington. "It may sound crazy, but no one would be reading this book had I not been asked to be on the Beauvoir board of trustees and run the annual fund drive beginning the fall of 1969." From there, she became close to prominent Democrats and found her way, with her doctorate in international relations, on to the National Security Council of Jimmy Carter.

President Bill Clinton plucked her from relative obscurity to be his first ambassador to the United Nations. For his second term, Mr Clinton elevated Mrs Albright, in part, she recognises, because Mr Clinton liked drama, and appointing a woman would be dramatic. She gives this description of waiting, with her

trusted aide, Elaine Shocas, for Mr Clinton's job offer: “I asked Elaine to spend the night with me in Georgetown and gave her one of my flannel nightgowns so she would not have to go home. In the morning we sat in my living room wearing matching pink terrycloth bathrobes, afraid to take showers because we might miss the call.”

On the policy front, Mrs Albright gives a routine account of her drive to face down Slobodan Milosevic over Kosovo, and the decision to go to war. She offers little new on her administration's ill-fated efforts to secure an Israeli-Palestinian peace accord. But she is frank about the Rwandan genocide that occurred during her watch at the United Nations. “In Rwanda we did too little.” She pays tribute to those “who were right at the time when their warnings, if heeded, could have made a difference”.

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By Madeleine Albright.
Miramax Books; 562 pages; $27.95
Pan Macmillan; £25

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About sponsorship

Corporate management

Excellence revisited

Dec 18th 2003
From The Economist print edition

IT IS 21 years since Tom Peters and Robert Waterman transformed the market for books about management with their bestseller “In Search of Excellence”. Now Mr Peters is trying to transform the market again. “In Search of Excellence” thrived because of the originality of its ideas, essentially pointing out at a time of general gloom about American business that in fact there were plenty of excellent things going on inside corporate America. But his new book, “Re-imagine!”, aims to make an impact more by how it looks than by what it says. That, of itself, says quite a lot about the current state of management thinking.

Re-imagine!: Business Excellence in a Disruptive Age
By Tom Peters

Dorling Kindersley; 352 pages; $30
Dorling Kindersley; 352 pages; £20

Buy it at
Amazon.com
Amazon.co.uk

Mr Peters's goal is nothing less than to “re-invent the business book” by teaming up with a “design-driven, in-your-face publisher”, Dorling Kindersley (owned by Pearson, a part-owner of *The Economist*). Certainly, “Re-imagine!” is quite unlike the dense prose broken up by an occasional organisational chart that is the traditional management book. Each chapter of the glossy, colourful tome starts with a brief, self-described rant from Mr Peters, before moving on to the main narrative (such as it is) which is flanked on every page by sidebars containing quotes or one-point observations. Every page features at least one exclamation mark, usually dozens. Entire pages are devoted to photos and perhaps a single provocative sentence. The book's final page is devoted to a quote, in large-type red on a white background, from James “Rebel Without a Cause” Dean: “Dream as though you'll live for ever; live as though you'll die today.”

This is clearly not a book that is meant to be read—not, at least, by the traditional method of starting at the beginning and proceeding to the end. Its remorselessly shrill tone, alternating between the shocking and the motivational (not a word Mr Peters likes but accurate, nonetheless), could easily cause a normal brain to explode after half an hour's continuous exposure. No, this is a book for dipping into for five minutes at a time in search of nuggets of wisdom, a sort of “daily reader” for followers of Mr Peters's brand of management religion. It may well achieve its goal of taking management ideas to a new younger audience, aged around 30, being famous for their short attention span and need for instant impact and gratification.

But if the medium is the message, the message in this case is that business thinkers such as Mr Peters have become a lot less coherent than they were 21 years ago. Management has gone from being an apparently logical science into something more mystical. Underlying “In Search of Excellence” was the belief that excellence meant something. As *Business Week* pointed out two years later, with its “Oops” cover, many of the “excellent” firms celebrated in the book suffered a sharp decline in performance.

Now, although Mr Peters still proudly points out that the long-run performance of those firms has actually been better than most, he seems increasingly unsure of very much at all—beyond two articles of faith. First, that everything is changing, and changing faster than ever. In today's world, how can a management guru any longer advise a firm to stick to its knitting by focusing on its core competencies, when, as Mr Peters admits, “I haven't a clue! What is ‘core’? What is a ‘competency’? What the hell is ‘the knitting’? It's all a GREAT MYSTERY.” Mr Peters is even willing to bet that today's two most feared companies, Dell and Wal-Mart, will be dead or irrelevant in 30 years (a bet this reviewer would happily take, at least in the case of Wal-Mart).

The second article of the Peters faith is that, in this world of change, the answers lie within each individual, and his or her (women as leaders loom commendably large in this book) courage to act. If this constant refrain is not “motivational”, it would be hard to know what is? To save you from cluttering your

coffee table, Mr Peters's message boils down to this: “A strange world awaits. A world in which defining ‘excellence‘, let alone ‘searching‘ for it (let alone achieving it!) will be more and more elusive. And more and more exciting. How frightening! HOW COOL! ARE YOU UP FOR IT?”

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Dorling Kindersley; 352 pages; $30
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About sponsorship

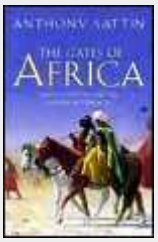
African exploration

A mythical city

Dec 18th 2003
From The Economist print edition

THINK of African exploration and most people have a picture of hard-jawed Victorian chaps in tweeds marching into the African bush accompanied by hundreds of native bearers. Alan Moorehead wrote their definitive history in “The White Nile”, published in 1960. Anthony Sattin has written a worthy prequel covering the earlier period that begins with the establishment of the African Association at the end of the 18th century.

The Gates of Africa: Death, Discovery and the Search for Timbuktu
By Anthony Sattin



HarperCollins; 382 pages; £25

Buy it at Amazon.co.uk

Led by Sir Joseph Banks, a botanist, a group of wealthy Britons, most of them opposed to the slave trade, financed a number of lone explorers to try to find the sources and courses of Africa's two great rivers, the Nile and the Niger. Unlike Moorehead's heroes, Burton, Baker, Speke and Stanley, these earlier often inexperienced travellers failed to reach their destination, often falling sick as soon as they reached Africa. Indeed Mr Sattin might have added “diarrhoea” to death and discovery in his alliterative subtitle.

Mr Sattin's chief source is the records of the African Association, which he uses to great effect, weaving in the social and political backdrop to give another dimension to the adventures of the young men who passed through Sir Joseph's London house and stepped “off the map into the Sahara, bound for the heart of Africa”.

Their initial hoped-for destination was Timbuktu, “the capital of Negroland”, the desert port for the trans-Sahara caravan trade. Here, it was believed, was “civilisation, wealth and an enlightened ruler deep in the heart of Africa”. Travellers' tales claimed that there was so much gold in Timbuktu that slaves wore it. Sir Joseph believed that probably more than 100m people lived there and dreamt of bringing trade and science to this kingdom, helping it defeat the slave trade and making Britain wealthy too.

If only they could get there. Mr Sattin constantly picks up the ironies and contradictions in the motives of the association's members. Though most were anti-slavery, the explorers, or missionaries as Mr Sattin calls them, were often forced to co-operate with slave traders. Jean Louis Burckhardt, the star of the book, actually bought a slave and sold him at a profit. Sir Joseph was apparently motivated purely by love of science and geography but sent Mungo Park, also a botanist, on a disastrous expedition with a troop of soldiers to blast their way through “the gates” of Africa. The European conquest of Africa was 100 years off but Sir Joseph gave us the first glimpse of it.

The reactions of people they encountered were mixed but no one in Africa believed the white man had come just to find the source of a river. To Africans travellers were either merchants or people who had committed terrible sins and were forced by their families to leave home. Despite this, they were frequently welcomed and usually given help by ordinary Africans, an attitude towards strangers that remains strong to this day.

This is a wonderfully constructed book but as a story it is an anti-climax. The fabled golden wealth of Timbuktu turned out to be sand and a few windblown mud huts. The first westerner to reach it was an enslaved illiterate American sailor called Robert Adams whose transcribed account was published in 1816. The goal of the association quickly shifted from being the first traveller to reach Timbuktu to “the first geographically aware traveller” to reach the city. The greatest traveller dispatched by the association, Burckhardt, explored the Middle East for five years, rediscovered Petra in Jordan, became “the perfect Arab” and explored east of the Nile but never reached Timbuktu or Africa as we think of it now—south of the Sahara.

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By Anthony Sattin.
HarperCollins; 382 pages; £25

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About sponsorship

Gertrude Ederle

Dec 18th 2003
From The Economist print edition

Hulton Getty

Gertrude Ederle, cross-Channel swimmer, died on November 30th, aged 97

ON THE morning Gertrude Ederle set off on her cross-Channel swim in 1926, a London newspaper ran a front-page editorial arguing that her failed attempt a year earlier simply proved that women were athletically inferior to men and that promoting female competitive sports was a waste of time. Miss Ederle's father, who had a better grasp of what made humans of either sex tick, offered her a red sports car if she made it across the water. She did, beating the time taken by the fastest man by almost two hours, a record that would remain unbroken until 1950.

It would be banal, though, to think of Miss Ederle's swim merely in terms of women's athletics. Hers was a particularly 20th-century achievement—victory over the widest, the longest, the tallest, all simply because they were there. “I knew I could do it. I knew I would, and I did,” she told reporters on her return to New York. Charles Lindbergh had the same thought the next year as he touched down in Paris after flying the Atlantic. So did Hillary and Tenzing when they ascended Everest in 1953. Miss Ederle, though, was the first to stretch herself so truly, madly, deeply.

Long-distance swimming in cold waters is one of the most unnatural of human challenges. The essential struggle is between exhaustion and cold. During the swim, blood from the body's warm core is forced out to the limbs to supply the muscles with oxygen and prevent exhaustion. But as this blood flows close to the body's surface it is cooled by the icy water, and as it returns to the core organs it can bring on hypothermia. A swimmer must, then, keep moving to keep warm—but this is exhausting. Failure to maintain this balance means that the brain's temperature drops, the swimmer becomes disoriented and, ultimately, the heart stops beating altogether.

Miss Ederle knew when she dived off the French coast at Cap Gris-Nez at 7.08am on August 6th 1926 that the odds were three to one she would fail. To keep from losing body heat, she coated herself in grease—it may have been vaseline or even mutton fat, no one is certain. She was a big girl, and in her ample home-made two-piece she was no fashion model. Yet her courage would have stilled any jibe. Her father, her trainer and her older sister, Margaret, rode in a boat beside her, singing “Sweet Rosie O'Grady” and “After the Ball is Over” all the way and passing out a baby's bottle of chicken broth on a rope whenever she needed sustenance.

As the day wore on, rain began to fall. When the tide turned, the wind rose and the water grew ever rougher. Conditions became so bad that ships stayed in port. Yet Miss Ederle ploughed on with her American overarm crawl. When she stumbled ashore on the Kent coast, it was nearly dark; she had

swum 35 miles to cover the 21-mile distance.

Talking to the sea

The child of a successful New York butcher—her father owned the Ederle Brothers Meat Market on upper Amsterdam Avenue—from a German immigrant family, “Trudy, Queen of the Seas” had been taught to swim by her mother, who tied a rope round her waist and dangled her in the water. Three years later, the child's ambition was set when Mrs Ederle took Trudy and her five brothers and sisters to a swimming exhibition near their summer home in Atlantic Highlands, New Jersey. Not for these Americans the notion that women were inferior athletes. At 14, and already in a rigorous training programme, Miss Ederle defeated 51 others in her first long-distance race, from Brooklyn's Manhattan Beach to Brighton Beach. By 17, she held 18 world swimming records and had won three medals in Paris at the 1924 Olympic games.

By the time she had conquered the Channel and returned home on the *SS Berengaria*, to the whistle of every steamship in New York harbour and a ticker-tape motorcade up lower Broadway, everyone in America knew her story. She was received by President Coolidge. That evening, thousands of people stood in front of her house and on adjoining roofs to welcome her back to her neighbourhood.

Promoters, manufacturers and Hollywood lined up to solicit endorsements of every kind. Never had a swimmer been offered such riches, and she was not yet 20. It was not to last, though. Despite signing a two-year contract with the William Morris Agency to tour in vaudeville as a swimmer, Miss Ederle found that life under public scrutiny began to wear her down. In 1933, she fell and injured her spine. For years afterwards she wore a cast, yet she volunteered to work through the second world war in an aircraft factory. As peace returned, she became set on being a swimming instructor, although her hearing, impaired since childhood, had grown steadily worse since her Channel swim.

By 1945 Miss Ederle was completely deaf, but she focused her talents on teaching deaf children how to swim. Despite receiving thousands of letters of proposal when she returned to America, she never married. Instead she concentrated on her deaf water babies, to whom she offered her simple philosophy: “To me, the sea is like a person—like a child that I've known for a long time. It sounds crazy, I know, but when I swim in the sea I talk to it. I never feel alone when I'm out there.”

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Overview

Dec 18th 2003
From The Economist print edition

America's economy showed several signs of strength in November. Industrial production rose by 0.9%, a faster-than-expected rate. Housing starts also grew by more than expected. Retail sales rose by 0.9%. Yet consumers seem unimpressed, according to the University of Michigan's consumer-confidence index. By that measure, consumer confidence fell to 89.6 in December from 93.7 in November. America's current-account deficit narrowed slightly in the third quarter to $135 billion, but remains equivalent to nearly 5% of GDP.

Inflation slowed sharply in America, but rose in the euro area. Although the Federal Reserve recently said that the risk of an "unwelcome" decline in inflation has receded, **American consumer prices** fell by 0.2% during November. Core consumer prices, which exclude prices for energy and food, fell in November for the first month since 1982; they grew in the 12 months to November by just 1.1%, the slowest rate since 1966. **Euro-area consumer prices**, however, rose by 2.2% in the year to November, up from 2.0% in the year to October.

According to EuroCOIN, an economic indicator published by Britain's Centre for Economic Policy Research, **euro-area economic growth** inched up in November after stagnating in September and October. Euro-area industrial production also rose, by 1.1% in October, and is up by 0.9% in the 12 months to October.

The **dollar** continued its slide, and hit an all-time low of $1.24 against the euro.

Industrial production in **Sweden** rose by 2.1% in the year to October.

Japan's quarterly Tankan survey of large manufacturers registered an improving mood. Their net favourable response about current conditions rose to 11 in December, up from 1 in September. The measure of future expectations fell, however, thanks partly to worries over a strengthening yen.

In **Britain**, consumer-price inflation in the 12 months to November was lower than expected. Consumer prices grew by 1.3% in the year to November, according to the newly named CPI measure (formerly called the HICP). Inflation is running below the Bank of England's new target of 2.0% for the CPI. Unemployment fell by more than expected in November, as measured by the number of claimants for jobless benefit.

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Output, demand and jobs

Dec 18th 2003
From The Economist print edition

% change on year ago

	GDP latest		GDP qtr*	The Economist poll GDP forecasts 2003	2004	Industrial production latest		Retail sales (volume) latest		Unemployment % rate latest		year ago
Australia	+ 2.6	Q3	+ 4.8	+ 2.6	+ 3.8	+ 1.3	Q2	+ 5.3	Q3	5.6	Nov	6.1
Austria	+ 0.7	Q2	+ 1.1	+ 0.7	+ 1.7	+ 2.5	May	– 4.0	Aug	4.5	Oct	4.3
Belgium	+ 0.7	Q3	+ 2.0	+ 1.3	+ 1.7	– 2.9	Sep	– 1.7	Sep	12.5	Nov†	11.6
Britain	+ 2.0	Q3	+ 3.1	+ 2.0	+ 2.7	+ 0.9	Oct	+ 3.7	Nov	5.0	Oct††	5.2
Canada	+ 1.0	Q3	+ 1.1	+ 1.9	+ 3.0	– 0.2	Sep	+ 3.1	Sep	7.5	Nov	7.5
Denmark	– 0.8	Q3	– 1.2	+ 0.7	+ 2.1	– 1.5	Oct	+ 5.5	Oct	6.4	Oct	5.3
France	– 0.2	Q3	+ 1.5	+ 0.2	+ 1.8	+ 0.5	Oct	– 2.2	May	9.7	Oct	9.1
Germany	– 0.2	Q3	+ 0.9	nil	+ 1.6	+ 0.8	Oct	– 2.1	Oct‡	10.5	Nov§	10.1
Italy	+ 0.5	Q3	+ 2.0	+ 0.4	+ 1.6	+ 0.4	Oct	– 0.4	Sep	8.5	Jul	9.0
Japan	+ 1.8	Q3	+ 1.4	+ 2.6	+ 2.0	+ 3.8	Oct	+ 0.3	Oct	5.2	Oct	5.5
Netherlands	– 1.1	Q3	+ 0.5	– 0.7	+ 1.1	– 0.1	Oct	– 7.4	Aug	5.7	Nov**	4.3
Spain	+ 2.4	Q3	+ 2.9	+ 2.3	+ 2.9	+ 0.6	Oct	+ 2.5	Sep	11.2	Oct	11.4
Sweden	+ 2.0	Q3	+ 1.9	+ 1.5	+ 2.4	+ 2.1	Oct	+ 4.7	Oct	3.9	Nov†	3.9
Switzerland	– 0.6	Q3	+ 1.0	– 0.4	+ 1.4	– 2.8	Q2	+ 1.4	Oct	4.0	Nov†	3.1
United States	+ 3.5	Q3	+ 8.2	+ 2.9	+ 4.2	+ 1.6	Nov	+ 7.8	Oct	5.9	Nov	5.9
Euro area	+ 0.3	Q3	+ 1.5	+ 0.5	+ 1.8	+ 0.9	Oct	– 0.6	Sep	8.8	Oct	8.5
MORE COUNTRIES	Data for the countries below are not provided in printed editions of *The Economist*											
Finland	+ 1.6	Q3	+ 3.2	na	na	– 0.1	Oct	+ 3.6	Sep	8.2	Nov†	8.2
Greece	+ 4.5	Q2	+ 0.4	na	na	+ 2.1	Jul	na		na		na
Iceland	+ 2.7	Q2	na	na	na	– 0.3	2002	na		2.8	Oct†	2.5
Ireland	+ 2.1	Q2	na	na	na	+11.5	Oct	+ 1.0	Oct	4.4	Oct	4.3
Luxembourg	+ 1.1	2002	na	na	na	+ 1.4	Sep	+ 6.8	Jul	4.0	Oct	3.2
New Zealand	+ 2.0	Q2	– 0.5	na	na	+ 2.5	Q2	+ 6.1	Q3	4.4	Q3	5.4
Norway	+ 0.2	Q3	+ 3.3	na	na	+ 3.7	Sep	+ 5.0	Oct	4.7	Q3	3.8
Portugal	– 0.9	Q3	– 2.1	na	na	– 1.0	Oct	– 0.3	Sep	6.3	Q3†	5.1

*% change on previous quarter at an annual rate. †Not seasonally adjusted. ‡New series. ††Aug-Oct; claimant count rate 3.0% in Nov . §EU harmonised rate 9.3% in Nov. **Sep-Nov.

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Prices and wages

Dec 18th 2003
From The Economist print edition

% change on year ago

	Consumer prices			The Economist poll consumer prices forecast		Producer prices			Wages/earnings		
	latest		year ago	2003	2004	latest		year ago	latest		year ago
Australia	+ 2.6	Q3	+ 3.2	+ 2.8	+ 2.3	– 0.1	Q3	– 0.2	+ 5.1	Q3	+ 3.6
Austria	+ 1.3	Nov	+ 1.7	+ 1.3	+ 1.1	+ 2.7	Nov	+ 0.5	+ 2.3	Oct	+ 2.3
Belgium	+ 1.9	Nov	+ 1.1	+ 1.6	+ 1.5	– 0.4	Nov	+ 1.5	+ 1.9	Q3	+ 2.1
Britain	+ 1.3	Nov *	+ 1.6	+ 2.7	+ 2.5	+ 1.7	Nov	+ 0.9	+ 3.6	Oct	+ 3.7
Canada	+ 1.6	Oct	+ 3.2	+ 2.7	+ 1.7	– 3.8	Oct	+ 2.4	+ 3.1	Sep	+ 2.4
Denmark	+ 1.5	Nov	+ 2.7	+ 2.2	+ 1.6	+ 0.6	Nov	+ 0.8	+ 3.6	Q3	+ 3.9
France	+ 2.3	Nov	+ 2.2	+ 2.1	+ 1.6	+ 0.3	Oct	+ 0.8	+ 3.0	Q3	+ 3.5
Germany	+ 1.3	Nov	+ 1.2	+ 1.1	+ 1.0	+ 1.5	Nov	+ 1.1	+ 2.0	Sep	+ 2.6
Italy	+ 2.5	Nov	+ 2.8	+ 2.7	+ 2.2	+ 0.7	Oct	+ 1.6	+ 2.6	Oct	+ 2.1
Japan	nil	Oct	– 0.9	– 0.2	– 0.2	– 0.5	Nov	– 1.2	+ 1.9	Oct	+ 1.3
Netherlands	+ 2.0	Nov	+ 2.8	+ 2.3	+ 1.7	+ 0.8	Oct	+ 2.3	+ 2.4	Nov	+ 3.3
Spain	+ 2.8	Nov	+ 3.9	+ 3.1	+ 2.6	+ 0.6	Oct	+ 1.7	+ 4.2	Q2	+ 4.0
Sweden	+ 1.4	Nov	+ 2.3	+ 2.2	+ 1.6	– 1.9	Oct	– 1.0	+ 2.5	Sep	+ 2.8
Switzerland	+ 0.5	Nov	+ 0.9	+ 0.6	+ 0.6	– 0.3	Oct	– 0.7	+ 1.8	2002	+ 2.5
United States	+ 1.8	Nov	+ 2.2	+ 2.3	+ 1.5	+ 3.4	Nov	+ 1.0	+ 2.1	Nov	+ 3.0
Euro area	+ 2.2	Nov	+ 2.3	+ 2.0	+ 1.6	+ 0.9	Oct	+ 1.1	+ 2.9	Q2	+ 3.0
MORE COUNTRIES	Data for the countries below are not provided in printed editions of *The Economist*										
Finland	+ 0.5	Nov	+ 1.7	na	na	– 0.2	Nov	+ 1.1	+ 3.9	Q3	+ 4.1
Greece	+ 3.3	Sep	+ 3.5	na	na	+ 2.2	Aug	+ 2.1	na		na
Iceland	+ 2.7	Dec	+ 2.0	na	na	+ 3.3	Nov	+ 6.0	+ 5.5	Oct	+ 5.9
Ireland	+ 2.2	Nov	+ 4.8	na	na	– 8.4	Nov	– 3.0	+ 8.7	Q2	+ 3.5
Luxembourg	+ 1.8	Nov	+ 2.2	na	na	+ 0.7	Oct	+ 0.3	+ 2.5	Sep	+ 1.6
New Zealand	+ 1.5	Q3	+ 2.6	na	na	+ 0.1	Q3	– 2.1	+ 2.3	Q3	+ 2.3
Norway	+ 1.4	Nov	+ 2.1	na	na	+ 7.4	Nov	+ 3.2	+ 4.3	Q3	+ 5.0
Portugal	+ 2.5	Nov	+ 4.0	na	na	– 0.8	Oct	+ 1.2	– 1.0	Sep	+ 0.1

* New series. RPI inflation rate in November: 2.5%.

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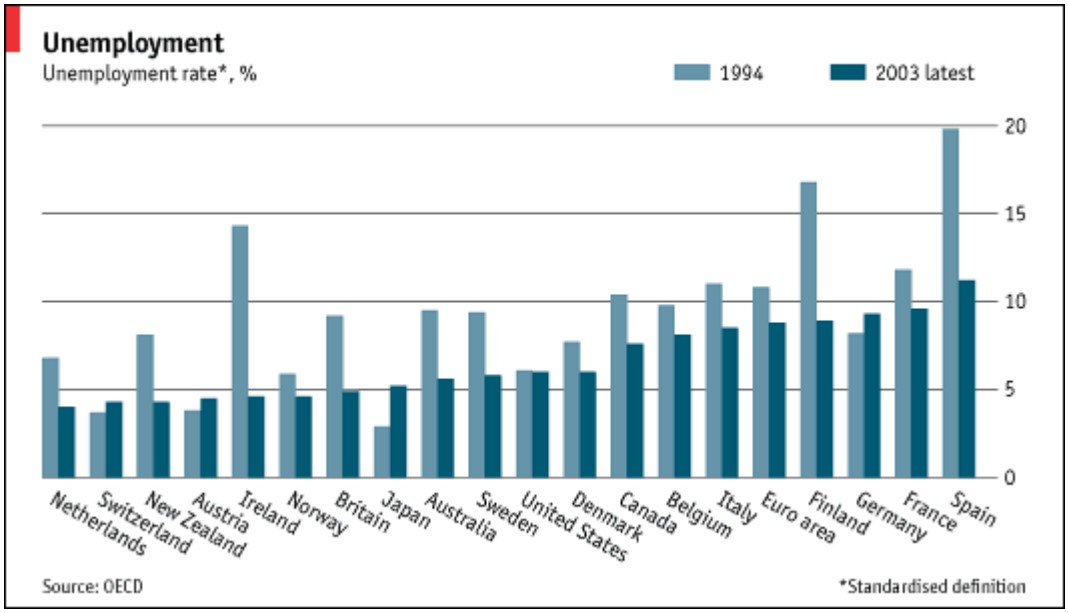
Unemployment

Dec 18th 2003
From The Economist print edition



Unemployment has been falling in most OECD countries since 1994. In the euro area, the joblessness rate has crept lower over the past decade, from 10.8% in 1994 to 8.8% in 2003, yet it remains higher than in most rich countries. That is partly because German unemployment has increased during the period, and now stands at 9.3%. Japan is one of the few other places where the unemployment rate has risen, but only to 5.2%.

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Money and interest rates

Dec 18th 2003
From The Economist print edition

	Money supply* % change on year ago			Interest rates % p.a. (Dec 17th 2003)					
				3-mth money market		2-year	10-year gov't bonds		corporate
	narrow	broad		latest	year ago	gov't bonds	latest	year ago	bonds
Australia	+ 8.7	+13.2	Oct	5.49	4.85	5.32	5.67	5.34	6.49
Britain	+ 7.3	+ 7.4	Oct	3.97	3.97	4.25	4.73	4.47	5.62
Canada	+ 4.4	+ 5.7	Oct	2.62	2.68	3.02	4.70	4.95	6.24
Denmark	+ 9.0	+ 9.1	Oct	2.23	3.20	2.79	4.38	4.48	6.38
Japan	+ 5.3	+ 1.6	Nov	0.02	0.02	0.12	1.31	0.94	1.42
Sweden	+ 3.2	+ 6.0	Oct	2.67	3.56	2.91	4.68	4.75	3.65
Switzerland	+24.4	+ 8.5	Nov	0.25	0.69	0.34	2.58	2.17	2.55
United States	+ 6.6	+ 4.6	Nov	1.05	1.34	1.80	4.18	4.05	5.84
Euro area†	+12.5	+ 8.0	Oct	2.14	2.94	2.53	4.21	4.23	4.11

*Narrow: M1 except Britain and Sweden M0, broad: M2 or M3 except Britain M4. †Germany for bonds. Benchmarks: US 30-year 5.22%, Japan No. 256 1.32%. Central bank rates: US fed funds 1.00%, ECB refinancing 2.00%, BOJ overnight call 0.001%, BOE repo 3.75%. Sources: Commerzbank, Danske Bank, J.P. Morgan Chase, Royal Bank of Canada, Stockholmsbörsen, UBS, Global Insight, Westpac, Thomson Datastream. Rates cannot be construed as banks' offers.

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The Economist commodity price index

Dec 18th 2003
From The Economist print edition

1995=100

	Dec 9th	Dec 16th*	% change on one month	% change on one year
Dollar index				
All items	89.4	88.9	+ 1.2	+16.7
Food	89.6	88.1	+ 0.5	+11.0
Industrials				
All	89.0	90.0	+ 2.0	+25.3
Nfa†	88.3	88.3	– 3.5	+19.2
Metals	89.6	91.3	+ 7.1	+30.8
Sterling index				
All items	81.0	80.1	– 1.7	+ 6.6
Euro index				
All items	96.3	94.8	– 2.4	– 2.6
Yen index				
All items	102.2	101.8	+ 0.6	+ 4.1
Gold				
$ per oz	407.25	407.75	+ 2.9	+20.7
West Texas Intermediate				
$ per barrel	31.78	32.91	– 0.8	+ 9.6

* Provisional. † Non-food agriculturals.

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Stockmarkets

Dec 18th 2003
From The Economist print edition

Market indices

	Dec 17th	2003 high	2003 low	% change on one week	% change on record high	% change on Dec 31st 2002 in local currency	% change on Dec 31st 2002 in $ terms
Australia (All Ordinaries)	3,235.5	3,310.6	2,673.3	+ 0.7	– 5.9	+ 8.7	+43.2
Austria (ATX)	1,494.8	1,523.9	1,120.2	– 0.6	–14.0	+30.0	+53.3
Belgium (Bel 20)	2,170.2	2,206.3	1,426.6	– 0.4	–41.1	+ 7.2	+26.4
Britain (FTSE 100)	4,354.2	4,410.0	3,287.0	+ 0.4	–37.2	+10.5	+20.9
Canada (Toronto Composite)	8,040.2	8,040.2	6,228.6	+ 1.9	–29.4	+21.6	+45.0
Denmark (KBX)	209.1	222.6	145.0	– 0.1	–30.7	+25.8	+48.1
France (SBF 250)	2,366.1	2,394.4	1,630.1	+ 0.8	–46.1	+15.2	+36.0
(CAC 40)	3,479.9	3,501.9	2,403.0	+ 1.2	–49.7	+13.6	+34.0
Germany (DAX)	3,847.6	3,875.7	2,203.0	+ 0.7	–52.3	+33.0	+56.9
Italy (BCI)	1,273.2	1,286.7	959.4	+ 0.3	–41.7	+16.6	+37.6
Japan (Nikkei 225)	10,092.6	11,161.7	7,607.9	+ 1.8	–74.1	+17.6	+30.1
(Topix)	990.0	1,105.6	770.6	+ 1.0	–65.7	+17.4	+29.8
Netherlands (AEX)	325.9	343.0	218.4	– 0.6	–53.5	+ 1.0	+19.1
Spain (Madrid SE)	789.3	789.3	576.8	+ 1.4	–31.1	+24.5	+46.9
Sweden (Affarsvarlden Gen)	180.9	186.3	127.8	– 1.3	–54.8	+24.6	+48.8
Switzerland (Swiss Market)	5,356.5	5,440.7	3,675.4	+ 0.2	–36.3	+15.7	+27.4
United States (DJIA)	10,145.3	10,145.3	7,524.1	+ 2.3	–13.5	+21.6	+21.6
(S&P 500)	1,076.5	1,076.5	800.7	+ 1.6	–29.5	+22.4	+22.4
(NASDAQ Comp)	1,921.3	1,989.8	1,271.5	+ 0.9	–61.9	+43.9	+43.9
Europe (FTSE Eurotop 300)*	935.7	946.2	682.7	+ 0.3	–45.1	+ 9.2	+28.8
Euro area (FTSE Ebloc 100)*	812.9	818.8	565.7	+ 0.8	–47.6	+13.2	+33.5
World (MSCI)†	998.0	998.0	710.8	+ 1.5	–31.1	+26.0	+26.0
World bond market (Citigroup)‡	598.0	598.0	518.6	+ 1.3	nil	+13.8	+13.8

*In euro terms. †Morgan Stanley Capital International index includes individual markets listed above plus eight others, in dollar terms.
‡Citigroup World Government Bond Index, total return, in $ terms.

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Trade, exchange rates and budgets

Dec 18th 2003
From The Economist print edition

	Trade balance*, $bn latest 12 months		Current account $bn latest 12 mths		The Economist poll % of GDP, forecast 2003	2004	Exchange rate trade-weighted† 1990=100 Dec 17th	year ago	Currency units per $ Dec 17th	year ago	per £	per euro	per ¥100	Budget balance % of GDP 2003‡
Australia	− 14.3	Oct	− 27.2	Q3	− 5.7	− 4.9	87.1	74.1	1.35	1.77	2.38	1.67	1.26	0.8
Austria	− 0.8	Sep	+ 0.8	Oct	nil	− 0.1	102.8§	100.9	0.81	0.98	1.42	–	0.75	-1.3
Belgium	+ 20.7	Sep	+ 11.2	Jun	+ 4.3	+ 4.4	102.9§	100.1	0.81	0.98	1.42	–	0.75	0.2
Britain	− 74.4	Oct	− 28.6	Q2	− 1.9	− 1.7	100.4	105.8	0.57	0.63	–	0.70	0.53	-2.9
Canada	+ 42.0	Oct	+ 16.7	Q3	+ 1.8	+ 1.4	86.9	76.1	1.32	1.56	2.33	1.64	1.23	1.0
Denmark	+ 10.2	Oct	+ 5.4	Oct	+ 2.8	+ 2.7	106.8	103.6	6.01	7.28	10.6	7.44	5.60	0.8
France	+ 5.7	Oct	+ 21.3	Oct	+ 1.4	+ 1.4	106.4§	103.0	0.81	0.98	1.42	–	0.75	-4.0
Germany	+142.7	Oct	+ 58.2	Oct	+ 2.3	+ 2.3	103.9§	100.0	0.81	0.98	1.42	–	0.75	-4.1
Italy	+ 3.4	Oct	− 19.2	Oct	− 1.0	− 0.8	75.8§	73.5	0.81	0.98	1.42	–	0.75	-2.7
Japan	+100.6	Oct	+127.4	Oct	+ 2.9	+ 2.9	136.7	131.3	107	121	189	133	–	-7.4
Netherlands	+ 33.0	Oct	+ 17.7	Q3	+ 2.6	+ 2.8	102.4§	99.2	0.81	0.98	1.42	–	0.75	-2.4
Spain	− 50.5	Sep	− 23.1	Aug	− 2.4	− 2.3	77.1§	75.0	0.81	0.98	1.42	–	0.75	0.1
Sweden	+ 17.8	Oct	+ 14.8	Q3	+ 4.2	+ 4.1	82.7	78.4	7.29	8.93	12.9	9.03	6.80	0.2
Switzerland	+ 6.2	Nov	+ 35.0	Q2	+11.0	+10.9	112.1	115.2	1.26	1.45	2.21	1.55	1.17	na
United States	−549.5	Oct	−541.7	Q3	− 5.1	− 5.3	95.9	111.6	–	–	1.76	1.24	0.93	-4.9
Euro area	+ 84.3	Sep	+ 36.8	Sep	+ 0.4	+ 0.5	92.0	83.6	0.81	0.98	1.42	–	0.75	-2.7
MORE COUNTRIES	Data for the countries below are not provided in printed editions of *The Economist*													
Finland	+ 14.4	Oct	+ 10.9	Oct	na	na	81.7§	79.0	0.81	0.98	1.43	–	0.75	2.6
Greece	− 24.7	Sep	− 10.7	Oct	na	na	59.5§	58.1	0.81	0.98	1.43	–	0.75	-1.6
Iceland	− 0.2	Oct	− 0.4	Q2	na	na	93.2**	93.5	92.6	82.5	163	114.6	86.3	-1.0
Ireland	+ 37.8	Sep	− 2.1	Q2	na	na	94.7§	89.2	0.81	0.98	1.43	–	0.75	-1.0
Luxembourg	− 3.4	Sep	+ 1.5	Q2	na	na	102.9§	100.1	0.81	0.98	1.43	–	0.75	-0.3
New Zealand	− 1.8	Oct	− 3.3	Q3	na	na	102.5	92.2	1.54	1.95	2.72	1.91	1.44	2.6
Norway	+ 28.0	Nov	+ 27.1	Sep	na	na	97.1	107.1	6.72	7.11	11.8	8.32	6.26	9.8
Portugal	− 13.1	Sep	− 7.8	Aug	na	na	93.3**	91.1	0.81	0.98	1.43	–	0.75	-2.9

*Merchandise. Australia, Britain, France, Canada, Japan and United States imports fob, exports fob. All others cif/fob. †Bank of England except §IMF, October average. ‡OECD forecast. **IMF, August average.

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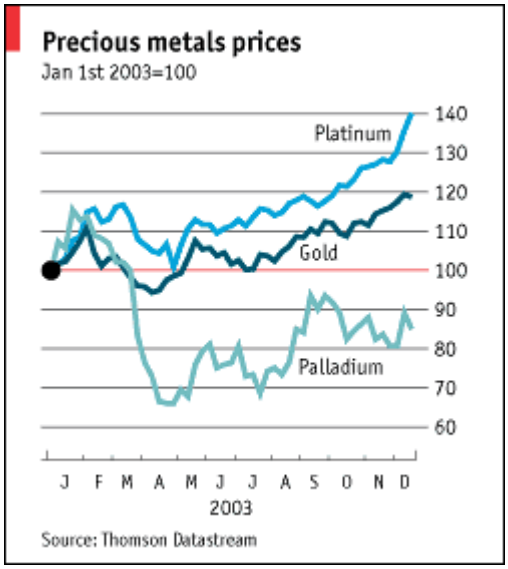
Precious metals prices

Dec 18th 2003
From The Economist print edition

In 2003, gold hit a seven-year high thanks partly to a weaker dollar, and platinum soared to a 23-year high as supplies shrank. Palladium, however, is now 82% below its peak in 2001.



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Overview

Dec 18th 2003
From The Economist print edition

In **China**, consumer prices increased by 3.0% in the year to November, up from 1.8% the previous month. A year ago, prices were falling. The rise in inflation is a further signal that the economy is overheating. China ran a trade surplus of almost $5 billion in November, the second biggest this year.

Industrial production in **India** rose by 5.4% in the year to October. The stockmarket rose by 2.5% over the week.

In **Mexico**, industrial production fell by 0.8% in the year to October. Consumer prices rose by 4.0% in the 12 months to November.

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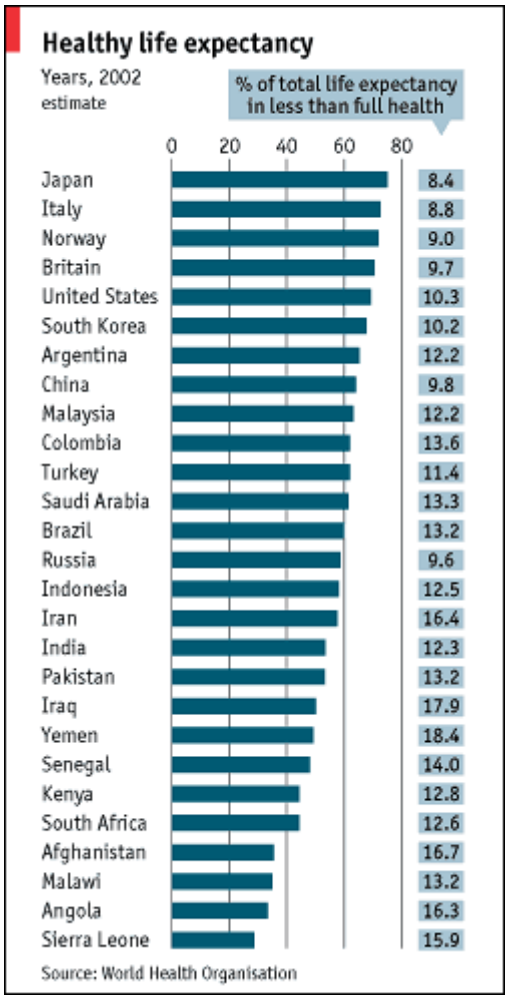
Healthy life expectancy

Dec 18th 2003
From The Economist print edition

The gap in life expectancies between rich and poor countries is widening, according to the *World Health Report 2003*. A baby born today in Japan can expect to live for 82 years, with more than 90% of that in good health. In Sierra Leone, however, average life expectancy at birth is a mere 34 years, with more than five of those years spent in ill health. While AIDS is the main killer in Africa, heart disease and other non-communicable conditions are having the biggest effect elsewhere. The WHO advocates international assistance to reform health-care systems in poor places.



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Economy

Dec 18th 2003
From The Economist print edition

	% change on year ago						Latest 12 months, $bn				Foreign reserves* $bn, latest	
	GDP		Industrial production		Consumer prices		Trade balance		Current account			
China	+ 9.1	Q3	+17.9	Nov	+ 3.0	Nov	+22.9	Nov	+35.4	2002	383.9	Sep
Hong Kong	+ 4.0	Q3	−12.5	Q2	− 2.7	Oct	− 7.7	Oct	+18.4	Q2	114.1	Nov
India	+ 5.7	Q2	+ 5.4	Oct	+ 3.3	Oct	−13.1	Oct	+ 2.8	Q2	92.2	Nov
Indonesia	+ 3.9	Q3	+ 4.7	Jul	+ 5.3	Nov	+26.1	Oct	+ 6.7	Q1	33.5	Oct
Malaysia	+ 3.5	Q3	+11.3	Oct	+ 1.1	Nov	+18.6	Oct	+10.1	Q2	42.6	Oct
Philippines	+ 4.4	Q3	− 3.7	Sep	+ 3.3	Nov	− 1.4	Sep	+ 2.8	Jul	13.3	Nov
Singapore	+ 1.7	Q3	+19.3	Oct	+ 0.6	Oct	+15.7	Oct	+25.6	Q3	93.9	Nov
South Korea	+ 2.3	Q3	+ 7.4	Oct	+ 3.4	Nov	+14.5	Nov	+ 8.0	Oct	143.2	Oct
Taiwan	+ 4.2	Q3	+ 9.0	Oct	− 0.4	Nov	+17.9	Nov	+28.8	Q3	202.8	Nov
Thailand	+ 5.8	Q2	+12.7	Oct	+ 1.8	Nov	+ 4.3	Oct	+ 8.0	Oct	39.3	Oct
Argentina	+ 7.6	Q2	+10.8	Sep	+ 3.6	Nov	+16.9	Oct	+10.2	Q2	13.5	Nov
Brazil	− 1.5	Q3	+ 1.1	Oct	+11.0	Nov	+23.9	Nov	+ 3.7	Oct	54.1	Oct
Chile	+ 3.0	Q3	+ 1.9	Oct	+ 1.0	Nov	+ 2.8	Nov	− 0.3	Q3	15.8	Nov
Colombia	+ 4.0	Q3	+ 5.6	Sep	+ 6.1	Nov	− 0.2	Sep	− 1.7	Q2	10.5	Nov
Mexico	+ 0.4	Q3	− 0.8	Oct	+ 4.0	Nov	− 6.0	Oct	−10.5	Q3	56.2	Oct
Peru	+ 4.1	Oct	+ 2.6	Sep	+ 1.9	Nov	+ 0.4	Sep	− 1.2	Q3	9.6	Nov
Venezuela	− 7.1	Q3	− 5.0	Sep	+25.6	Oct	+14.6	Q2	+ 8.9	Q3	14.5	Sep
Egypt	+ 3.1	2003†	+ 4.2	2002†	+ 4.7	Sep	− 6.0	Jul	+ 1.9	Q2	13.3	Aug
Israel	+ 2.8	Q3	+ 6.0	Sep	− 2.0	Nov	− 6.5	Nov	− 0.2	Q3	24.4	Nov
South Africa	+ 1.6	Q3	− 2.6	Oct	+ 0.4	Nov	+ 2.6	Oct	− 1.3	Q3	6.5	Oct
Turkey	+ 4.8	Q3	+12.3	Oct	+19.3	Nov	−20.4	Sep	− 5.2	Sep	32.9	Oct
Czech Republic	+ 3.4	Q3	+ 5.2	Oct	+ 1.0	Nov	− 2.3	Oct	− 7.8	Q3	26.0	Nov
Hungary	+ 2.9	Q3	+ 9.9	Oct	+ 5.6	Nov	− 4.3	Oct	− 5.5	Oct	12.6	Nov
Poland	+ 3.8	Q2	+ 9.1	Nov	+ 1.6	Nov	−10.2	Oct	− 4.0	Oct	32.8	Nov
Russia	+ 7.2	Q2	+ 7.1	Nov	+12.5	Nov	+56.4	Sep	+37.9	Q3	64.4	Nov
MORE COUNTRIES	Data for the countries below are not provided in printed editions of *The Economist*											
Estonia	+ 3.5	Q2	+ 9.1	Oct	+ 1.0	Nov	− 1.9	Oct	− 1.5	Q3	1.2	Oct
Latvia	+ 7.3	Q3	+ 5.0	Oct	+ 3.6	Nov	− 1.9	Oct	− 0.9	Oct	1.3	Oct
Lithuania	+ 8.4	Q3	na		− 1.4	Oct	− 2.4	Oct	− 0.9	Q2	3.1	Oct
Slovakia	+ 4.2	Q3	+ 4.9	Oct	+ 9.8	Nov	− 0.8	Oct	− 1.0	Aug	10.0	Sep
Slovenia	+ 2.3	Q3	+ 1.3	Oct	+ 5.1	Nov	− 0.5	Aug	+ 0.1	Oct	7.9	Sep
Pakistan	+ 5.1	2003†	+ 7.2	Jun	+ 4.2	Nov	− 1.2	Nov	+ 3.6	Q3†	10.0	Oct
Saudi Arabia	+ 1.0	2002	na		− 1.2	Jul	+41.8	2002	+11.9	2002	22.5	Oct

*Excluding gold, except Singapore; IMF definition. †Year ending June.

Sources: National statistics offices, central banks and stock exchanges; Thomson Datastream; Economist Intelligence Unit; Reuters; J.P. Morgan Chase; Hong Kong Monetary Authority; Centre for Monitoring Indian Economy; FIEL; EFG-Hermes; Bank Leumi Le-Israel; Standard Bank Group; Akbank; Deutsche Bank.

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Financial markets

Dec 18th 2003
From The Economist print edition

	Currency units			Interest rates	Stockmarkets	% change on		
	per $		per £	short-term	Dec 17th		Dec 31st 2002	
	Dec 17th	year ago	Dec 17th	% p.a.		one week	in local currency	in $ terms
China	8.28	8.28	14.6	na	1,522.6	– 1.0	+ 7.3	+ 7.3
Hong Kong	7.76	7.80	13.7	0.26	12,193.1	– 1.7	+ 30.8	+ 31.4
India	45.5	48.1	80.2	4.24	5,418.2	+ 2.5	+ 60.4	+ 69.0
Indonesia	8,493	8,890	14,962	8.70	655.7	+ 1.5	+ 54.3	+ 62.6
Malaysia	3.80	3.80	6.69	3.07	775.1	– 2.4	+ 19.9	+ 19.9
Philippines	55.4	53.7	97.6	8.13	1,398.6	+ 2.8	+ 37.3	+ 32.3
Singapore	1.71	1.75	3.01	0.69	1,723.6	+ 0.7	+ 28.5	+ 30.5
South Korea	1,189	1,202	2,094	4.35	800.1	+ 0.7	+ 27.5	+ 27.2
Taiwan	34.0	34.8	59.9	1.15	5,752.0	– 0.9	+ 29.2	+ 32.2
Thailand	39.7	43.0	69.9	1.39	687.9	+ 3.1	+ 93.0	+109.7
Argentina	2.97	3.51	5.24	4.44	999.2	+ 1.5	+ 90.3	+115.5
Brazil	2.93	3.53	5.17	17.29	21,199.3	+ 1.1	+ 88.1	+127.1
Chile	603	696	1,062	2.64	7,194.9	nil	+ 43.3	+ 71.3
Colombia	2,797	2,822	4,928	8.01	2,256.4	+ 1.4	+ 40.3	+ 43.8
Mexico	11.3	10.3	19.9	6.13	8,416.1	+ 0.9	+ 37.4	+ 27.5
Peru	3.47	3.50	6.12	2.50	2,277.9	+ 1.1	+ 63.6	+ 65.7
Venezuela	1,598	1,255	2,815	19.60	21,716.4	– 1.4	+170.9	+135.1
Egypt	6.17	4.62	10.87	6.89	11,201.2	+ 3.3	+108.5	+ 56.5
Israel	4.38	4.67	7.72	2.07	515.2	+ 4.1	+ 55.0	+ 68.0
South Africa	6.52	9.00	11.5	7.85	9,920.0	+ 1.4	+ 6.9	+ 40.7
Turkey	1,430,766	1,621,950	2,520,724	24.00	17,230.8	+ 3.7	+ 66.2	+ 92.8
Czech Republic	26.1	30.4	46.1	2.07	620.6	+ 1.1	+ 34.7	+ 55.0
Hungary	213	229	374	12.36	9,137.7	– 1.6	+ 17.2	+ 23.9
Poland	3.75	3.89	6.61	5.60	20,516.2	+ 1.1	+ 42.8	+ 46.0
Russia	29.3	31.9	51.5	16.00	539.1‡	– 0.2	+ 37.5	+ 50.1
EMF (MSCI)*	1.00	1.00	1.76	na	422.0	nil	+ 44.5	+ 44.5
EMBI+†	1.00	1.00	1.76	na	293.4	+ 0.9	+ 28.2	+ 28.2

*Emerging Mkts Free. †J.P. Morgan Chase's Emerging Mkts Bond Index Plus. ‡ In $ terms.

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